



Daily Report

East Europe

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CONTENTS

1 March 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

ALBANIA

Berisha Receives Spanish, Nepali Ambassadors [ATA]	1
Government, Unionists View Social, Economic Concerns [ATA]	1
Ministers Discuss Hungarian Double Tax Agreement [ATA]	1
German Finance Representative Briefed on Problems [ATA]	1

BULGARIA

Serbs Detain Bulgarian Ships on Danube [BTA]	2
Ministry Investigates Ship's Detention by South Africa [BTA]	2
Daskalov Reports Progress in Negotiations With EFTA [BTA]	3
Free Trade Agreement Signed [BTA]	3
Link With Alleged Russian-Serbian Arms Deal Denied [BTA]	3
Petrov Denies Arms Deal Report [BTA]	3
Yordanov Views Situation in Russia as 'Dramatic' [BTA]	4
BTA Rounds Up Day's Events [BTA]	4
Aleksandrov-Led Delegation To Talk With Creditors [BTA]	5
Agriculture Minister Reports Progress of Land Reform [BTA]	5
Reservations Voiced Over Ozal's Balkan Tour [DUMA 22 Feb]	5
Chief Prosecutor Warns of Restoration of Communism [BTA]	6
Business Party Changes Name to New Bulgaria Party [Sofia Radio]	6
BSP Leadership Adopts Development Program [BTA]	7
Turks Allegedly Causing Unrest Among Muslims [DEMOKRATIYA 22 Feb]	7

CZECH REPUBLIC

Klaus Comments on Government Visit to Slovakia [TELEGRAF 23 Feb]	8
Klaus Responds To Romany Congress Demands [CTK]	8
Havel Defines Presidential Role [CTK]	9
Deputy Minister Views EC Association in Brussels [CTK]	9
Migration Issue Discussed, Social Amendment Approved [CTK]	9
Official Reports Public Debt Manageable But Growing [HOSPODARSKE NOVINY 23 Feb]	10
Klaus Praises Economy at European Banking Forum [CTK]	10
EC Commission Vice President Praises Economic Results [CTK]	10
Economic Development Statistics Released [HOSPODARSKE NOVINY 22 Feb]	11
Dlouhy Calls For More Bank Credits at Forum [CTK]	12
Czechoslovak Social Democracy Change Name [Prague Radio]	12
Jiri Horak Elected Honorary Chairman CSSD [CTK]	13
Army Budget Structure Outlined [HOSPODARSKE NOVINY 24 Feb]	13
New Military District Commander Introduced [CESKY DENIK 23 Feb]	13

SLOVAKIA

Meciar Outlines Republic's Policy in Speech [CTK]	14
Meciar Discusses Gabcikovo Dispute During Brussels Visit [CTK]	14
Foreign Ministry on Hungarian Premier Meeting Meciar [Bratislava TV]	15
Knazko Not Worried About Hungarian Rearmament [CTK]	15
President-Elect Satisfied With Minister Knazko [CTK]	15
Communist Official Explains Government Relationship [PRAVDA 20 Feb]	15
Minister Discusses Privatization Problems [NARODNA OBRODA 24 Feb]	16
Support Declines for HZDS, Increases for SDL [CTK]	18

SDL Drafts Alternative Economic, Social Platform [CTK]	19
Daily Analyzes Government's Import Surcharge Decision [CTK]	19
Czechs Investigate Slovak Import Surcharges [Bratislava TV]	19
Meciar on Talks With IMF, Economic Problems [Bratislava TV]	19
Cernak Says Convertibility 'Priority'; No Devaluation [NARODNA OBRODA 25 Feb]	21
Czechoslovak Commercial Bank Branch Established [Bratislava TV]	22

HUNGARY

Preparations Made for Planned U.S. Airdrops [Budapest Radio]	23
Ukrainian President Arrives on Two-Day Visit [MTI]	23
Cooperation With Ukraine Welcomed [MTI]	23
Cooperation Agreement Signed [MTI]	23
Jeszczski, Albania's Serreqi View Yugoslav Crisis [MTI]	24
'Historic' Relations Praised [ATA]	25
Croatian Official Reveals Similar Views on FRY [MTI]	25
Opposition Parties Conclude Agreement [MTI]	25
Bank Chairman Views Economic Policy Issues [NEPSZABADSAG 24 Feb]	26

POLAND

Walesa Addresses National Defence Committee [PAP]	28
Jaruzelski on Party Files, Kiszczak Trial [PAP]	28
Polish, Russian Officials Discuss Katyn Massacre [PAP]	28
Prosecutor Urges Speedy Investigation [PAP]	28
Economic Minister on Problems With Russia [PAP]	29
Solidarity Leader on Pact With Government [Paris LE FIGARO 23 Feb]	29
Zhelev Urges Concrete Accords To Follow Treaty [PAP]	30
Government Signs No-Visa Agreement With Estonia [PAP]	31
Commission on Economic Ties Planned [PAP]	31
Kaczynski Discusses Walesa Presidency [SZTANDAR MLODYCH 18 Feb]	31
Peasant Party Deputy on Walesa-Kaczynski Conflict [GLOS PORANNY 18 Feb]	33
Vilnius Organization's Ethnic Theory Criticized [TRYBUNA SLASKA 22 Feb]	34
Environment Aide on Financing of Ecology Projects [TRYBUNA SLASKA 22 Feb]	34

ROMANIA

Ukrainian Ambassador Discusses FRY Embargo [TINERETUL LIBER 19 Feb]	36
News Briefing Discusses Reform, Danube Blockade [ROMPRES]	37
Ambassadors Briefed on Cosic Visit, Danube Crisis [ROMPRES]	37
Iliescu Asks Milosevic To Help End Danube Blockade [Bucharest Radio]	38
Yugoslav Barges Still Blocking Danube Shipping [ROMPRES]	38
Ministry Acknowledges UN Statement on Danube Blockade [ROMPRES]	38
Yugoslav Tugboats Continue To Block Danube Traffic [ROMPRES]	38
Yugoslav Authorities Take No Steps To Open Danube Traffic [Bucharest Radio]	39
Yugoslav Barges Continue To Block Danube Traffic [Bucharest Radio]	39
Danube Blockade Continues; Situation Examined [Bucharest Radio]	39
Economic Cooperation Agreement Signed With India [ROMPRES]	39
Roman Reviews 'Open, Instructive' Talks in Britain [AZI]	40
Yugoslav Foreign Minister Discusses Relations [ROMPRES]	40
Foreign Trade Official Views Accord With EC [ADEVARUL 17 Feb]	40
Controversy Around Government Program Viewed [COTIDIANUL 22 Feb]	42
Procedural Issues Viewed at Black Sea Conference [ROMPRES]	42
Cosic on Ethnic Cleansing, Vance-Owen Plan [ADEVARUL 24 Feb]	43
Tokes Accuses Romanians of 'Ethnic Cleansing' [Bucharest Radio]	45
Vacariu, Officials View Privatization Issues [ROMPRES]	45
Iliescu Receives PDAR Delegation [ROMPRES]	45
Iliescu Receives PSM Delegation [ROMPRES]	46
Tudor Attacks Vacariu's Program, 'Devilish' UDMR [ROMPRES]	46
Economic Police Forms Elite Anticorruption Units [ROMPRES]	46
Chief of Staff Discusses Military Doctrine [ROMPRES]	46

Roman Warns Against Presence of Army in Dniester [AZI 24 Feb]	47
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BOSNIA-HERCEGOVINA

Warring Sides Approve First Humanitarian Airdrop [TANJUG]	48
Airdrop Leaflets Miss Targets [TANJUG]	48
No Aid Located Yet [AFP]	48
Zagreb Radio: No Packages Found	49
Ham Radios: No Aid Found [Belgrade Radio]	49
Srebrenica Reports No Aid [Sarajevo Radio]	49
Cerska, Kamenica Appeal for Aid [Sarajevo Radio]	49
Karadzic: Muslims Will Shoot at U.S. Planes [BORBA 25 Feb]	50
Serb Army Says Muslims Plan To Down U.S. Planes [TANJUG]	50
Lukic Calls U.S. Intentions 'Honorable' [TANJUG]	51
General Mladic Assesses U.S. Aid Plan [Belgrade Radio]	51
Karadzic To Attend Talks, Opposes U.S. Drops [Paris LE MONDE 26 Feb]	53
Izetbegovic To Attend Opening of New York Talks [TANJUG]	53
Commentator Views New York Round of Peace Talks [Sarajevo Radio]	53
Akmadzic: Izetbegovic Not Represent Government [Sarajevo Radio]	54
HVO Closes Croatian Border Crossings to Army [Zagreb Radio]	54
Army Statement Responds to Action [Sarajevo Radio]	55
Muslim Party Assails Decision [Sarajevo Radio]	56
Croats To Suspend Ban [Sarajevo Radio]	57
SDA Reiterates Support for Government [Sarajevo Radio]	57
Tension Rising Between Muslims, Croats [Zagreb Radio]	57
Belgrade Radio Reports New Muslim, Croat 'Rift'	57
UNPROFOR Finds Arms in Croatian Aid Truck [AFP]	58
Aid Convoy Commander Refuses To Allow Inspection [TANJUG]	58
Convoy Allowed To Leave [TANJUG]	59
Minister Resigns Over Differences With Izetbegovic [TANJUG]	59
Karadzic Denies Knowledge of New York Bombing [Belgrade TV]	59
Serbs Allege Muslim War Crimes in Eastern Bosnia [TANJUG]	59
'Uninformed' Men Remove Serbs, Muslims From Train [Belgrade Radio]	59
Muslims Reportedly Attack Serb Positions, Villages [TANJUG]	60
Serbs Report 'Reconnaissance' Flights [TANJUG]	60
Serb Offensive Reported [Sarajevo Radio]	60
'Escalation' of Fighting Reported [Sarajevo Radio]	61
'Strong Explosions' Shake Sarajevo [Belgrade Radio]	61
Zenica Steel Works Reportedly Producing Arms [TANJUG]	61

CROATIA

Police Defuse Explosive Device Near U.S. Embassy [NOVI VJESNIK 27 Feb]	63
Tudjman Calls for End to Civil War [TANJUG]	63
Hadzic Claims Krajina 'Completely United' [Belgrade]	63
UN Spokesman Confirms Croatian Radio Censorship [TANJUG]	64
U.S. Humanitarian Aid Experts Arrive in Zagreb [TANJUG]	64
Serbs Reportedly Hit Ferries in Maslenica Area [Zagreb Radio]	64
TANJUG Reports Continued Croat Attacks [TANJUG]	64
Capability, Weapons Supply of Croatian Army [NIN 5 Feb]	65
Data on Croatian Weapons Supply [NOVI VJESNIK 7 Feb]	66
General Tus on Origin of Croatian Army [NOVI VJESNIK 7 Feb]	67

SLOVENIA

U.S. Planes Permitted To Use Airspace [TANJUG]	69
Czech Foreign Minister Holds Talks With Kucan [CTK]	69
Jelincic Defends Role in SNS, Plans Congress [DELO 16 Feb]	69

YUGOSLAVIA

Federal

Outgoing UN Commander Received by Cosic	[TANJUG]	70
Possibility of U.S. Airspace Violations Viewed	[Belgrade TV]	70
Commentary Questions U.S. Peace Plan	[VOJSKA 18 Feb]	71
Report Details Mercenaries in Croatia, Bosnia	[TANJUG]	72
Trade Ministry Raises Price of Bread, Flour	[Belgrade TV]	73
Sanctions Impact on Highway Transportation	[EKONOMSKA POLITIKA 25 Jan]	73

Serbia

Clinton Letter Warns Milosevic Over Kosovo	[TANJUG]	74
Convoy Commander Refuses Cargo Check; Returns to Base	[TANJUG]	74
Kozyrev Assesses Russian Attitude Toward Crisis	[BORBA 24 Feb]	74

Kosovo

Demaci Answers Questions on Serbian Policy	[ATA]	75
Rugova Accuses UNHCR of Complicity in 'Ethnic Cleansing'	[AFP]	76

Berisha Receives Spanish, Nepali Ambassadors

AU2702210093 Tirana ATA in English 1106 GMT
27 Feb 93

[Text] Tirana, February 27 (ATA)—The President of the Republic of Albania Sali Berisha received in separate meetings the ambassadors extraordinary and plenipotentiary of the Kingdom of Spain Emilio Menendes del Valle and of Nepali, Gopal Prasad Sharma, accredited to the Republic of Albania, who presented the credentials.

Government, Unionists View Social, Economic Concerns

AU2402184293 Tirana ATA in English 1111 GMT
24 Feb 93

[Text] Tirana, February 24 (ATA)—The representatives of the government, the minister of finances, economy and industry, the deputy minister of social assistance, the director of privatization and that of social insurances, and the representatives of the Independent Oil Trade Unions, and the civil working people of order, authors of the petition addressed to the government, continued the dialogue on February 23. They treated the social and economic problems, the concrete results to be attained in the future, and called for consensus. The trade unions, which intend to protect those affected by the reform, made several demands involving switching from the reward for unemployment to direct assistance and to see to the possibility of increasing pensions, to liberalize the wage for the workers employed in non-budget enterprises, to cut the price of urban and railway transportation of passengers, to change the procedure of the privatization where they observe injustices and one-sidedness. In this regard the trade unionists demanded that the opinion of the trade unions be taken into consideration.

The representatives of the government agreed in principle with these requests. The Minister of Finance and Economy Genc Ruli said that the two sides should reach an agreement devoid of the interests of each party, but considering only the interests of the nation. In regard to the house rents, Mr. Ruli explained that the increase of house rents will start with the privatization of houses. The government fixed March 1 to do this. As privatization cannot begin on this date, the liberalization of house rents is also postponed. As for the assistance, the minister said that the government is preparing the law for an initial small increase, which will increase rapidly in the future.

The participants at the meeting agreed to appoint a consultative council made up of representatives of the government, trade unions, and employers.

Ministers Discuss Hungarian Double Tax Agreement

AU2702210793 Tirana ATA in English 1108 GMT
27 Feb 93

[Text] Tirana, February 27 (ATA)—After discussed in a meeting of the Council of Ministers, the draft law for the ratification of the agreement between Albania and Hungary to eliminate the double taxes on income and capital, will soon be sent to the parliament for approval.

The Albanian Government will reach such agreements with Italy, Greece, Germany, the United States, Poland, Bulgaria since with most of these countries Albania has reached agreements of economic cooperation for the encouragement and mutual protection of investments. But the effect of these agreements is considered small if agreements for the elimination of double taxes are not concluded with these states.

German Finance Representative Briefed on Problems

AU2802154193 Tirana ATA in English 0916 GMT
28 Feb 93

[Text] Tirana, February 28 (ATA)—On February 27 the Albanian-German working group met with the adviser to the German finance minister, Mr. Alois Braun. The meeting was attended by ministers and other members of the Albanian Government who briefed the German representative on some of our problems.

Mr. Alois Braun said among the other things that they were following the great project designed by Franz Joseph Strauss to help Albania since the time of its isolation. You gentlemen, who are attending this meeting, are responsible for the future of Albania. We wish to develop cooperation with all the subjects of the government to help you. The ministers briefed on the difficulties facing them and pointed to the most needy areas.

The president's press and information office reports that President Sali Berisha met with the adviser to the German finance minister, Mr. Alois Braun and Mr. Michel Cosmala, director of "Hanns Seidel" Foundation for Albania.

Serbs Detain Bulgarian Ships on Danube

AU2602214893 Sofia BTA in English 2023 GMT
26 Feb 93

["Today"—BTA lead]

[Excerpts] Sofia, February 26 (BTA)—No lot was sold at today's second open-bidding privatization auction at the Ministry of Trade. Two warehouse facilities and two service stations were put up for sale. Mr. Valentin Karabashev, deputy prime minister and minister of trade, said that he would insist on an amendment to the Ordinance on Auctions, under which lots which remain unsold at two successive auctions or even after the first one would be offered at a reduced price. In his view, the units on the privatization list of the previous government are unattractive and overpriced.

Mrs. Antoaneta Pramatarova-Milcheva, the newly appointed ambassador of Bulgaria to Norway, yesterday handed her credentials to King Harald V, the Foreign Ministry's Press Centre reported. Mrs. Pramatarova-Milcheva is concurrently ambassador to Sweden.

The captain of the Bulgarian catamaran "Khan Tervel," which was detained in the Serbian port of Prakhovo yesterday, tried in vain to persuade the Serbian authorities to allow the ship to sail on. The "Khan Tervel" carries on board 34 truckloads of poultry and veal destined for Iran. Despite the kind treatment of the Serbian authorities to the Bulgarian ships, the captain, Mr. Iliev, says they would not let the vessels pass because then the blockade would be pointless. The Bulgarian catamarans "Khan Tervel" and "Khan Kardam" have been stranded for a second day now at the Iron Gate lock, which is blocked by two Serbian tugboats. The demurrage costs each of the Bulgarian ships some 8 million dollars a day [amount as received].

Mr. Evgeni Matinchev, deputy prime minister and minister of labour and social affairs, today conferred with Ambassador John Firth, director for international contacts of the U.S. Department of Labour. They discussed the department's programme for technical assistance in employment management to the ministry in 1993.

The Socialist Party (BSP) MP's [Member of Parliament] today issued a special declaration in support of a February 19 declaration of the National Assembly Committee on Power Engineering and Energy Resources, which voiced concern over the lack of government concept on the development of the energy sector. The Socialists insist that the government work out a programme for power engineering development. The declaration calls on the political forces to support immediate cabinet action for a financial stabilization of the sector. The BSP insists that the adjustment of electricity, heat-power and coal prices be preceded by social measures.

Mayor Aleksandur Yanchulev of Sofia announced today that the state of finances of Greater Sofia will be discussed at an extraordinary meeting of the municipal

council on March 4. Mr. Yanchulev says that social tensions may mount if the financial problems of the capital city are not settled within one week. [passage omitted]

Representatives of the Conservative Ecological Party (affiliated to the Union of Democratic Forces—SDS) told a new conference today that no compromises should be made with the Movement for Rights and Freedoms (the ethnic Turks' party, formerly a parliamentary ally of the SDS) and with other political forces. The party leader Khristo Biserov said that early general elections are the only way for the SDS to go back to power. [passage omitted]

Commenting on the meeting between Todor Zhivkov and DPS leader Ahmed Dogan last week, the president of the Podkrepa Labour Confederation Konstantin Trenchev said in Razgrad (northeastern Bulgaria, with a compact Turkish population) today that he would not meet with Zhivkov because in his view Bulgaria was severed from the civilized world during Zhivkov's 35-year rule. Dr. Trenchev took the occasion to say that the other influential trade union amalgamation, the Confederation of Independent Trade Unions in Bulgaria (KNSB), "serves the interests of the former 'nomenklatura' and the Communist Party."

Trade Union Branches in uranium mining are starting preparing for effective strike action in compliance with the Collective Industrial Disputes Settlement Act, BTA learn from the KNSB Press Centre. The Union of Uranium Mineworkers says that workers have not received their wages since December 1992.

The Trade Union Federation of Mechanical Engineers and Metalworkers with the Podkrepa Labour Confederation puts all its branches on strike alert from March 1, 1993, says a Podkrepa press release. The decision is motivated by the latest price jump. The Federation insists on immediate dialogue with the government on a solution of the problems of the sector and reserves the right to take effective strike action if negotiations do not start within seven days.

The retail prices of government-monitored staple foods rose 2.34 percent between February 15 and 26, 1993, the National Statistical Institute reported. The Sofia Commodity Exchange registered higher asked prices of many goods this week. Exchange experts predict a steady rise of flour prices.

Ministry Investigates Ship's Detention by South Africa

AU2602221693 Sofia BTA in English 1501 GMT
26 Feb 93

[Text] Sofia, February 26 (BTA)—The ambassador of South Africa in Sofia was invited to the Bulgarian Ministry of Foreign Affairs on February 24 to throw light on the detention of the Bulgarian Ship "Fregata," owned by the Ocean Fishing Company, by the authorities of

South Africa in the port of Walvis Bay, the Foreign Ministry Press Office reported. According to information provided by the owner, the reason for the arrest of the ship was a claim which the crew had filed with the Supreme Court of South Africa in connection with a labour dispute with the ship's owner.

Under the international law similar disputes lie within the jurisdiction of the court authorities in the country, whose citizens the sides in the dispute are. In this connection, the Foreign Ministry handed a note to the South African ambassador to Bulgaria, insisting that the legal circumstances of the arrest be clarified and the ship be released immediately.

Daskalov Reports Progress in Negotiations With EFTA

AU2702164093 Sofia BTA in English 1536 GMT
27 Feb 93

[Text] Sofia, February 27 (BTA)—The free trade agreement between Bulgaria and the European Free Trade Association (EFTA) will probably be signed at the end of March this year, Deputy Minister of Trade Stanislav Daskalov said today returning from Geneva.

He informed that the third round of negotiations with EFTA was completed by initialling the multilateral agreement and all bilateral protocols on trade in agricultural products except for the protocol with Austria which was not represented in Geneva. Mr. Daskalov expects that the negotiations with Austria will be completed next week.

The multilateral agreement makes provisions for free trade in industrial goods, processed agricultural products, fish and sea products. In his opinion, it will open good prospects for Bulgaria's export as the agreement, expected to enter into force on July 1, 1993, removes all customs and other barriers to Bulgarian exports except for steel and textile.

Free Trade Agreement Signed

AU2602215293 Sofia BTA in English 2012 GMT
26 Feb 93

[Text] Sofia, February 26 (BTA)—Bulgaria and the seven member countries of the European Free Trade Association (EFTA) signed a free trade agreement in Geneva today. The accord is expected to enter into force on July 1 after its ratification, Bulgarian national radio reported.

Under the document, the parties will gradually liberalize their trade in industrial goods, processed farm produce and fish products.

Because Bulgaria is in a transition to a market economy, it was agreed to grant this country an asymmetrical approach for a period of time until December 31, 2002 at the latest.

Link With Alleged Russian-Serbian Arms Deal Denied

AU0103102993 Sofia BTA in English 0917 GMT
1 March 93

[From BTA press review]

[Text] Sofia, March 1 (BTA)—24 CHASA leads on the reaction to a story in THE OBSERVER of London, according to which, after negotiations held in Romania and Bulgaria, Russia has sold missiles and tanks to Belgrade. The daily quotes Bulgarian politicians as saying that such allegations are "probably a red herring." In one of its early morning broadcasts, Radio Sofia reported that Prime Minister Lyuben Berov denied a Bulgarian connection in the operation covered by THE OBSERVER. The Russian ambassador in Sofia, Mr. Aleksandr Avdeyev, also denied THE OBSERVER's allegations, writes DEMOKRATSIYA.

DEMOKRATSIYA gives leading space to yesterday's statement by National Assembly Chairman Aleksandr Yordanov, who returned from a visit to Russia. Mr. Yordanov says that Russia supports Bulgaria's position of noninterference in the Yugo-conflict. The paper stresses Mr. Yordanov's opinion that the positions of Bulgaria and Russia on the Yugo-crisis are converging. STANDART NEWS quotes Mr. Yordanov as saying that Bulgaria and Russia hold identical views on the war in the former Yugoslavia and Black Sea economic cooperation. Russian Foreign Minister Mr. Andrey Kozyrev handed the Bulgarian parliamentary delegation the Russian plan for the settlement of the Yugo-crisis, which the Bulgarian Government and Parliament would consider.

Petrov Denies Arms Deal Report

AU2802194493 Sofia BTA in English 1925 GMT
28 Feb 93

[Text] Sofia, February 28 (BTA)—In a telephone interview the chief of the General Staff of the Bulgarian Army, General Lyuben Petrov, told a television reporter that he had no information about Moscow and Belgrade signing a secret contract for the delivery of Russian weapons to Serbia after a series of talks held on the territory of Bulgaria and Romania, as the British OBSERVER wrote.

Russian ambassador to Bulgaria Andrey Avdeyev also reacted to the publication. In a statement made in the news programme of the Bulgarian National Television he said that "any reports about some delivery of weapons from Russia to Serbia are a fake. Russia strictly observes the sanctions against the former Yugoslavia," he stressed. I have clear information from the president and the government that we have never effected any deliveries to Serbia, it is all invented, Mr. Avdeyev said.

Dimitur Yonchev, MP [member of parliament] for the Bulgarian Socialist Party and a member of the Parliamentary National Security Committee, was cited by the National Television as saying to a television reporter

that no information had been received at the committee about any armament transactions between Russia and Serbia. He added, however, he would not be surprised if the OBSERVER publication turned out to be true because military and social discipline in Russia was slack.

Yordanov Views Situation in Russia as 'Dramatic'

*AU2802191093 Sofia BTA in English 1736 GMT
28 Feb 93*

[Text] Sofia, February 28 (BTA)—National Assembly Chairman Aleksandur Yordanov told journalists today that the relations among the separate institutions in Russia were strained and that the situation there was more intricate and dramatic than in Bulgaria.

Mr. Yordanov returned from Moscow today where he led a Bulgarian parliamentary delegation. During the visit the delegation had talks with the chairman of the Russian Parliament, Mr. Ruslan Khasbulatov, with Prime Minister Viktor Chernomyrdin, with Minister of Foreign Affairs Andrey Kozyrev and with Russian parliamentarians. Although talks with Mr. Boris Yeltsin were also scheduled, we did not meet him as he was on a 10-day leave and did not receive anybody at all, Mr. Yordanov said.

He smiled when a BTA reporter asked him if Russia was heading for a revolution. The relations among the Russian MP's [Member of Parliament] are relations of confrontation, Mr. Yordanov said. Their parliament is divided into many factions that cannot find common ground, the central authorities are detached from the local ones, the mechanism for the implementation of reform is too complicated and sluggish, it has exhausted the possibilities of the so-called perestroika, the National Assembly chairman said.

Mr. Yordanov described the Bulgarian delegation's visit to Russia as very important. We considered the two countries relations in trade and economy, paying particular attention to the agreement on the reciprocal protection of investments, Russia's debt to Bulgaria and the settling of payments for Bulgarian goods, he said.

Foreign Minister Kozyrev gave the Bulgarian delegation the Russian plan for resolving the conflict in the former Yugoslavia. The Bulgarian Government and Parliament are going to consider the plan. In principle Bulgaria and Russia share a common position on the problem—they are for noninterference of the Balkan countries in the conflict and support the Vance-Owen plan.

We share a similar attitude to Black Sea cooperation too, Aleksandur Yordanov said.

BTA Rounds Up Day's Events

*AU2802143893 Sofia BTA in English 2049 GMT 27
Feb 93*

["Today"—BTA lead]

[Excerpts] Sofia, February 27 (BTA)—Brian Lee Crowe, deputy undersecretary of state and economic director at the British Foreign Office, began his four-day visit to Bulgaria, the National Radio reported. Mr. Crowe will familiarize himself with Bulgaria's plans and expectations in connection with its association with the European Community.

This evening, a day after President Zhelyu Zhelev completed his official visit to Poland, the Bulgarian National Television broadcast an interview with President Lech Walesa who replied to questions about the development of democratic processes in his country. I have confidence in my concept and its victory, President Walesa said.

The chief of the Posts and Telecommunications Committee, Stefan Sofiyanski, returned from Washington where he initialed an agreement on a loan of 30 million dollars from the World Bank. The money will be used to realize part of the project for the modernization of the Bulgarian telephone network, BTA learned from the Posts and Telecommunications Committee.

The Service for Operative and Technical Information (SOTI) of the Ministry of the Interior did not bug the telephones of politicians when Filip Dimitrov's cabinet was in office, former SOTI chief Lieutenant Colonel Arangelov told BTA today commenting on the allegations made by National Investigation Service Director Ani Kruleva.

Three political organizations affiliated to the Union of Democratic Forces (SDS) held their national conferences today preparing for the SDS national conference scheduled for March 13-14. The leader of the New Social Democratic Party, Vasil Mikhaylov, said that it was not through a fault of the SDS leadership that the SDS lost the government of the country. The political power has been taken over by the newly formed parliamentary majority which ousted Filip Dimitrov's cabinet because of its positive characteristics, he said. The conference adopted a decision which says that the formula of the SDS as a coalition and a national movement is an adequate one, to turn the SDS into a party would be fatal.

At its national conference the Conservative Environmentalist Party (CEP) approved a declaration which says that "Lyuben Berov's cabinet is a procommunist one, it is a conductor of the interests of those who want to buy out the country with the money robbed from the public purse, its staying in power is fatal for Bulgaria's present and future." CEP leader Khristo Biserov told a BTA reporter that the culprits for the overthrow of Filip Dimitrov's government were President Zhelyu Zhelev, the Movement for Rights and Freedoms, the Podkrepa

Labour Confederation. The Alternative Social Liberal Party (until recently affiliated to the SDS) and the ex-Communist Party.

At today's meeting of the national leadership of the Democracy Clubs ex-Minister of Justice Svetoslav Luchnikov was elected chairman of the organization.

The leader of the SDS-affiliated Democratic Party, MP Stefan Savov, left for Brussels today to take part in a forum of the parties of Christian Democrats. [passage omitted]

The leaderships of the Bulgarian Business Party (BBP) and of the Union for Private Economic Enterprise held a working meeting and took a vote approving the change of the party's name into New Bulgaria Party, BBP Deputy Chairman Stefan Nikolov told a BTA reporter after the meeting. The meeting confirmed that the BBP is the actual mouthpiece and protector of entrepreneurs and supports their efforts to participate in the country's government, Mr. Nikolov said. According to him, on the one hand Prof. Lyuben Berov's cabinet was criticized for the lack of real parliamentary support, but on the other hand some hope was expressed that the cabinet would take some specific actions to promote the market economy principles in this country.

The power engineering workers affiliated to the National Trade Union, which split from the Podkrepa Labour Confederation, are protesting against the "political purges carried out by the new illegitimate management of the Bulgarian National Television" and declare their readiness to proceed with protest actions of solidarity, a declaration circulated today says. [passage omitted]

Aleksandrov-Led Delegation To Talk With Creditors

AU2802190993 Sofia BTA in English 1823 GMT
28 Feb 93

[Text] Sofia, February 28 (BTA)—A Bulgarian delegation, led by Minister of Finance Stoyan Aleksandrov, left for Frankfurt to hold negotiations with the creditor banks on Bulgaria's foreign debt.

We cannot accept the creditor banks' latest proposal as the burden we are offered to take is unbearable, however, this does not mean that the proposal cannot serve as a basis for concrete negotiations, Minister Aleksandrov told journalists before leaving. We are in difficult position because no agreement with the International Monetary Fund has been signed and we do not know what inflow of money we could expect to be able to say how we will service our foreign debt, the finance minister said. In his opinion, this fact will make the talks with Bulgaria's creditor banks difficult.

Minister Aleksandrov specified that Mrs. Mariyana Todorova, appointed head of the Bulgarian delegation to the negotiations on the country's foreign debt, will take office in the middle of March.

Agriculture Minister Reports Progress of Land Reform

AU2702212293 Sofia BTA in English 2032 GMT
27 Feb 93

[Text] Sofia, February 27 (BTA)—Only 6.32 percent of land was practically restored to its former owners and their heirs in 1992, Minister of Agriculture Georgi Tanev said in the national television's Panorama Political Review this evening.

Mr. Tanev said on his election as minister of agriculture that the land restitution would be completed by the end of March this year. However, admitting this evening that the promise was given without knowing how little had been done for the implementation of the land reform, he did not commit himself to any specific time limit.

Minister Tanev reproached Filip Dimitrov's cabinet for enforcing a "political decision" in the establishment of councils to liquidate the state-controlled cooperative farms at the time of the communist regime and for appointing council members who lacked professionalism.

Asked if the setting up of cooperatives in agriculture without having received title deeds was legitimate, the minister of agriculture did not reply directly. The Bulgarian Socialist, formerly Communist, Party has been actively working for the establishment of such cooperatives, he said. In his opinion, small owners see a way out in these cooperatives because the high interest rates doom individual farmers to ruin.

Reservations Voiced Over Ozal's Balkan Tour

AU2802212893 Sofia DUMA in Bulgarian 22 Feb 93 p 6

[Commentary by Ventseslav Karaivanov: "Ozal's 'Shuttle' Arouses Mixed Feelings"]

[Text] Despite the declared good intentions, the tour of Bulgaria, Macedonia, Albania, and Croatia that Turkish President Turgut Ozal has just completed cannot fail to arouse certain doubts and even fears in the Balkans, all the more so because on the eve of the visit we witnessed an outspoken propaganda campaign in support of the Muslim population in the Balkans.

The Turkish president's declarations that his country does not intend to intervene alone in the Yugoslav conflict provide a measure of assurance. However, we cannot close our eyes and ears to other points stressed in his statements, such as Turkey will demand that the world and European communities intervene by force in Bosnia-Herzegovina, and his unwillingness to join in the call made by Bulgaria, Greece, and Romania for the neighbors of the former Yugoslavia to refrain from sending troops and weapons for the warring parties. Turkey is undoubtedly the strongest regional force in the area and possesses the second largest army in NATO. Following the dissolution of the Warsaw Pact and the changes in Eastern Europe, the small countries in the region were in fact left without any protective umbrella. This makes them feel apprehension and distrust regarding any possible threat.

The Balkan countries that Turgut Ozal visited undoubtedly see a potential danger in the Muslim minorities that

Turkey openly protects. President Ozal demonstratively met with their representatives, promising them moral, cultural, and economic support. This adds a certain bitter aftertaste to his other declarations about wanting cooperation and development of good-neighbor relations. Despite the denials of the reports in the Turkish press that Ozal wants a corridor through Bulgaria and Macedonia for the possible passage of Turkish troops to the hotbed of conflict in Bosnia-Herzegovina, the doubts nonetheless remain. Both Bulgaria and Macedonia are extremely sensitive regarding the threat of Islamic fundamentalism. In Macedonia, the situation even led to anti-Muslim demonstrations provoked, in the words of the participants, by "the authorities' excessive linkage with Turkish politics."

From the viewpoint of the attempts by all countries in the region to establish good-neighbor relations and the desire of each one of them to develop a more independent policy, the countries concerned must regard Ozal's "shuttle" as a positive event. However, the shadow of doubt still remains hanging over his declarations of good intentions.

Chief Prosecutor Warns of Restoration of Communism

AU0103111893 Sofia BTA in English 1032 GMT 1 Mar 93

[Text] Sofia, March 1 (BTA)—Bulgaria's Prosecutor General Ivan Tatarchev says in an extensive interview for OTECHESTVEN VESTNIK that communism is being restored in Bulgaria, which is a regrettable phenomenon. The prosecutor general specifies this is his opinion as a private person. "I can pronounce myself in my capacity as prosecutor general when I am presented materials evidencing the commitment of some crime," Mr. Tatarchev says.

According to Mr. Tatarchev, since he took office as prosecutor general (in February 1992), the executive branch has not tried to exert pressure on the prosecuting magistracy or the investigation authorities. "Before 1989 the judiciary and the prosecuting magistracy were blind tools in the hands of communist dictatorship," he says.

He believes there is organized crime in Bulgaria. "A lot of criminals have come to this country and they act together with the Bulgarian ones according to the principles of organized crime," the prosecutor general says. In his opinion, the legal proceedings and the preliminary investigation process should be accelerated, he recommends the adoption of the so-called quick police investigation method applied in France. The prosecutor general maintains that there should be capital punishment in Bulgaria at the moment.

Mr. Tatarchev underlines that there are no political trials in Bulgaria. Although some of those who will appear as defendants are political figures, they are sued for criminal offences and economic crimes, he explains. The investigation into the so-called Moscow fund case has been completed (the question is about the money, which

the former Bulgarian Communist Party granted to communist parties in the developing countries and to communist regimes). The Military Prosecutor's Office has submitted to the Supreme Court the indictment concerning the crimes committed at the forced labour camps set up by the communist regime.

"I expected the National Assembly to take a stand first, as was the case in Germany," Prosecutor General Ivan Tatarchev says, invited to comment on the fact that the Supreme Court has not yet clearly pronounced itself on the statutory rules limiting the time within which actions can be brought, although the victims and their relatives were not in position to get legal defence at the time and a lot of proceedings have already been initiated about people killed or missing in 1944-47. Mr. Tatarchev reminds that there is a special clause in the German Penal Code which explicitly states that the statutes of limitation do not count for the time when there was no possibility of bringing actions against such criminals in the territory of the former German Democratic Republic. "The statutes of limitation must not count in Bulgaria too," the prosecutor general says, adding that he will defend this position in the Supreme Court when it considers the crimes committed at the forced labour camps.

Mr. Tatarchev reminds that the investigation into the so-called "regeneration process" (the coercive change of Bulgarian Turks' names) has been completed and the Military Prosecutor's Office is expected to submit the indictment to court. The prosecutor general expresses his indignation at the behaviour of some members of the National Assembly, whose names he does not specify, and the National Assembly as a whole, when he requested to strip of immunity socialist MP [member of parliament] Dimitur Velev, guilty of having had a whole ethnic Turks-inhabited district in Khaskovo (southern Bulgaria) demolished. Three months ago a commission was appointed to investigate the case and Mr. Tatarchev believes that it is ready with its conclusion, but the matter has not been considered yet. He has sent two reminders, receiving no reply.

Business Party Changes Name to New Bulgaria Party

AU2702212093 Sofia Khorizont Radio Network in Bulgarian 2000 GMT 27 Feb 93

[Text] At a working meeting today the leaderships of the Bulgarian Business Party and the Union for Citizens' Economic Initiative voted for the party's name to be changed to the New Bulgaria Party [Partiya Nova Bulgariya].

Stefan Nikolov, deputy chairman of the Bulgarian Business Party, said that the work of Lyuben Berov's government can be assessed in two ways: On the one hand, the cabinet attracts criticism because it contains no real parliamentarians, but on the other hand certain hopes are expressed that the cabinet will undertake concrete steps to promote the market economy in Bulgaria.

BSP Leadership Adopts Development Program

AU2802191293 Sofia BTA in English 1740 GMT
28 Feb 93

[Text] Sofia, February 28 (BTA)—At a special sitting today, the supreme leadership of the Bulgarian Socialist Party (BSP) and of its parliamentary group approved a draft programme called "Bulgaria's Prospects." The programme will be discussed at the BSP National Conference scheduled for the end of March.

The socialist programme for "overcoming the crisis and implementing a transition to a democratic state committed to the rule of law" has nine sections, including a section devoted to the socialist view on the country's foreign policy.

Turks Allegedly Causing Unrest Among Muslims

AU2802212393 Sofia DEMOKRATSIYA in Bulgarian
22 Feb 93 pp 1, 4

[Report by Kurdzhali correspondent Filipa Serafimova]

[Text] The first news of the existence of supporters of Adem Kenan's Turkish Democratic Party in Kurdzhali district came from Ardino.

According to the report, a group of people from among the few educated Turks left in the district, all supporters of democracy following 10 November 1989 [date of fall of Zhivkov regime], voted to set up a local party organization. Their most likely reason for doing this is disenchantment with the representatives of the DPS [Rights and Freedoms Movement] who have occupied all the posts in the hierarchy of the local executive.

The paradoxical and disturbing feature is that these enlightened people do not turn toward the SDS [Union of Democratic Forces], BZNS [Bulgarian National Agrarian Union], or BSP [Bulgarian Socialist Party]. They are seeking to reunite, cutting themselves off from the remainder of the population. Given that they are willing to support Kenan, although they are well aware of his aspirations, what are those less well-versed in political matters to do?

Dissatisfaction with the local government of the DPS is an established fact in the region. Many people are again

thinking of going abroad. Former Komsomol and communist leaders are now members of the DPS. The DPS has established no contacts with more intelligent people and has accused them of serving the communists. It is foolish not to take Kenan's party seriously. At the moment, other processes are gathering momentum in the region, and their combination with Kenan nationalism may create an unimaginable mess.

At the beginning of December, a Democratic Party of Labor was founded in the village of Zhultusha, Ardino Municipality. Its declared aim was to defend the interests of the population of the mountain and upland areas. However, it is no secret that its aim was to unite the Bulgarian Muslims.

Worrying processes are under way in the villages with a compact Muslim population. Here the "Revival Process" is still continuing. Older people attempt to impose names on their children that they have never held. The imams are pressurizing elderly people, refusing to bury persons with Bulgarian names or to officiate at traditional rituals.

Cases have already been reported in various villages, such as Avrensko, Zhultusha, and Chakalarovo. The political forces refrain from making statements on the incidents reported. The prosecution service is also receiving tipoffs, but also remains silent.

Local politicians believe that only a parliamentary commission can quell the high feelings aroused. However, they do not conceal their fears that the spark may lead to a conflagration. What failed to happen in January 1990 may now cause the region to explode, because according to information that has leaked from the DPS circles, the deadline for restoring Muslim names under the law has now expired. The Pomaks have to decide whose side to join, by making their own choice of names.

Can it be that a certain political force (or forces) is orchestrating the raising of artificial barriers between these people, between those who have adopted Christianity and the others who continue to prostrate themselves before Allah? Does the conduct of the imams represent a form of violation of human rights under the guise of religion? The National Assembly deputies should seek answers to these questions, and do so without delay....

Klaus Comments on Government Visit to Slovakia
AU2602142593 Prague TELEGRAF in Czech
23 Feb 93 p 1

[Interview with Czech Prime Minister Vaclav Klaus by Ota Veverka in Prague on 22 February: "Negotiation by Means of Diplomatic Notes Is Not Enough"]

[Text] Last night, Czech Prime Minister Vaclav Klaus returned from his first official trip to Slovakia. Upon arrival at the Ruzyně airport he granted TELEGRAF the following short interview.

[Veverka] What are the results of the talks conducted during your first official trip to Slovakia since the partition of the Federation?

[Klaus] We held talks with the Slovak prime minister and the government, and we visited the National Council of the Slovak Republic and also the recently elected Slovak President Michal Kovac. These talks are really necessary. We have been separated so briefly that negotiations by means of diplomatic notes and ambassadors' mouths is not enough. There are numerous new, only arising issues, and not all of them could have been included in the three treaties we signed today. This must be dealt with in both cabinets, and an occasional meeting between the prime ministers is also necessary. It is a good thing that it took place; it was high time.

[Veverka] How did the talks end on Transgas, Cedok, and the renowned seven tonnes of Slovak gold?

[Klaus] The gold was not discussed, but I believe that we have some idea regarding the settlement of this issue. This, however, was discussed at the meeting in Prague that the reporters described as a secret and closed-door. The issue that needs to be concluded is a batch of ownership, customs-related, and financial treaties, and another one concerning border-related matters—movement of people and goods. The problems of several large enterprises form the third batch. It was not possible to sign anything today—not even to arrange the details—but we managed to agree on global directions in all these groups. This should smoothen the way for the responsible ministers during future meetings.

[Veverka] Have you arrived at some tangible results regarding the authority in the coupon privatization? We heard reports that put the Slovak debt at 19 billion korunas.

[Klaus] It is not 19 billion, but rather approximately 16.8 billion korunas. We certainly dealt with this question. The condition is that it be included in the parcel of issues I mentioned. We said this outright.

[Veverka] What do you think about the introduction of quotas on imports of some Czech products to Slovakia?

[Klaus] We have not heard about this. As a matter of fact, we were assured that if Slovakia retreats from the existing level of the liberalization of foreign trade—that

dates back to 1 January 1991—it certainly will not apply to the trade with the Czech Republic.

[Veverka] How did you personally feel as you visited Slovakia for the first time as a foreign country?

[Klaus] On the way back, we asked ourselves such a control question concerning the feeling of having been abroad. The answers varied. Some, including myself, were beginning to feel that way, while others still did not have the universal feeling of a foreign land. It certainly is a novelty. I was surprised to have considered it more of a foreign country than I would have originally believed.

Klaus Responds To Romany Congress Demands
AU2502224893 Prague CTK in English 1837 GMT
23 Feb 93

[Text] Prague, Feb 23 (CTK)—Czech Premier Vaclav Klaus has explained in detail the government's stand on solving Romany problems in a letter addressed to the Romany Democratic Congress (RDK) and given to CTK today.

Referring to the RDK's demand that fascist groups, mainly skinheads, be outlawed in the Czech Republic, Klaus said that the cabinet has charged the interior minister to take measures immediately to prevent expressions of deliberate violence and he believes these measures are sufficient in the current situation. As skinheads represent informal groupings, their activities cannot be banned in general, he added.

In a petition submitted to the cabinet February 5 the Romanies demanded the observance of the outlawing of fascist and racist groups in the Czech Republic in connection with the increasing number of skirmishes between themselves and skinheads.

To the RDK's demand that mayors of towns implementing the so-called Jirkov decree be legally prosecuted, Klaus said that the government can by no means interfere with the activities of independent courts and prosecutors.

The November 3 decree passed by the North Bohemian town of Jirkov gives local bodies the right to impose fines of up to 100,000 crowns (about 3,500 USD [U.S. dollars]) for illegal use of flats and houses. The order is perceived by Romanies as being directed against them.

Reacting to the RDK's statement that the government seeks to rid itself of the responsibility for solving the Romanies' situation, Klaus said that district authorities rather than central administration bodies should deal with Romany problems, and added that he considers this way the most effective one.

On changes in the law on state citizenship as demanded by the RDK, Klaus said that conditions for obtaining Czech state citizenship set down in the law are binding for all applicants and that the law does not take into account specific aspects of certain groups of the population.

The Romanies, most of them living in the Slovak Republic and often moving between the Czech and Slovak Republics, are interested in having both Czech and Slovak citizenship.

Klaus said that the interior minister has been charged with creating a network of consultative bodies on a regional level to provide effective assistance to those Romanies who apply for Czech state citizenship.

The cabinet discussed the Romany question at its meetings February 8 and February 10.

On February 17 the RDK said that the measures taken by the government to solve Romanies' problems betray contempt for democracy and show a lack of respect for the Constitution. It has called a big demonstration outside the Czech Government building for Wednesday, February 24.

Havel Defines Presidential Role

LD2802171293 Prague CTK in English 1651 GMT
28 Feb 93

[Text] Prague, Feb 28 (CTK)—Czech President Vaclav Havel today described his speech in parliament last week as his first attempt to define the identity of the presidential office and the function of the president.

In his regular radio programme Talks From Lany (the country retreat of Czech, and formerly of Czechoslovak, presidents), Havel said that the task of the president is to work for the continuity, identity and integrity of the state. The state is created by society, the nation and citizens not only in order to protect them from external enemies, crime, and injustice, but in some cases also in order to protect society from itself, as is the case of the environment, he said.

Havel pointed out the specific subtle position of the president in the constitutional system of the Czech Republic. He said that the president should be someone who places questions to all sides, who pays attention to putting larger events into context, who himself does not and cannot solve the majority of matters, but who provokes thought and explanation and can inspire resolution.

The state, Havel said, is something more than just an administration it is the representative of something called country or home. The president should, from time to time, stress this meaning of the state, Havel said.

Deputy Minister Views EC Association in Brussels

AU2602140193 Prague CTK in English 1845 GMT
24 Feb 93

[Text] Brussels, Feb 24 (CTK correspondent)—Czech Deputy Minister of Foreign Affairs Pavel Bratinka met here with high-level representatives of the European

Community (EC) Commission and the European Parliament to discuss a new agreement on the Czech Republic's association into the EC.

Bratinka, in Brussels since Tuesday [23 February], met today with Garcia Arias, head of the European Parliament delegation for discussions with the Czech Republic and Slovakia, with Horst Krenzler, general director of the EC Commission, with Alan Mayhew, director of the EC Commission for PHARE [Economic Reconstruction Aid for Poland and Hungary], and with Pierre Champenois, director of the Secretariat for European Political Cooperation.

A common theme of the discussions was how to solve the legal aspects of the transfer to the Czech Republic of the Provisional Agreement on Trade and Trade-Related Issues signed by the former Czechoslovakia and the EC last year, Bratinka told CTK.

A somewhat greater problem appears to be the conclusion, and later ratification, of the European agreement on association of the Czech Republic into the EC. The Czech Republic is considered to be a political successor to the agreement with the former Czechoslovakia, but tendencies are emerging within the EC to try to insert into the new agreement a clause on the observance of human rights. The Czech Republic rejects this step on the grounds that it is discriminatory, because the clause was not included into similar agreements with Hungary and Poland, Bratinka said. Politically it is unacceptable, and I made that clear in all the discussions, he said.

Migration Issue Discussed, Social Amendment Approved

AU2502224593 Prague CTK in English 1940 GMT
23 Feb 93

[Text] Prague, Feb 23 (CTK)—Czech Interior Minister Jan Ruml today informed the Czech parliament of the current situation in talks between the Czech and German Governments on problems ensuing from a new German legislation under which economic refugees should start to be deported as of April 1 from Germany across its border with the Czech Republic and Poland.

The Chamber of Deputies will adopt a resolution on this issue at its session in March, after it is prepared by the Chamber's committees.

Ruml said that a meeting of interior ministers of Poland, Slovakia, Austria, Hungary, Slovenia and the Czech Republic, scheduled to take place in Prague March 16, will focus on the conditions under which these states

could sign a multilateral agreement or a set of bilateral agreements on the problem of the transfer of refugees from Germany.

The Chamber of Deputies at its session today approved an amendment to the law on social need. Under the existing legislation, social benefits were also provided to citizens refusing to work without any serious reasons. The amendment changes the legislation in order that it corresponds with the law on employment under which people refusing to work are not granted unemployment benefits.

Under the amendment, incomes within a family will be considered jointly. If for instance one of the parents refuses to work without giving serious reasons, other members of the family will not be entitled to social benefits conditioned by social need.

The current session of the Chamber of Deputies is expected to last till Friday [26 February].

Official Reports Public Debt Manageable But Growing

AU2602141993 Prague HOSPODARSKE NOVINY in Czech 23 Feb 93 p 2

[Unattributed report: "The State Debt of the Czech Republic Grows"]

[Text] The State Debt of the Czech Republic is still small, but it has a tendency to grow. That is what Vera Kamenickova from the Czech Republic Finance ministry said at the meeting with reporters on Monday [22 February]. Since the 1992 state budget results will only be processed in April-May, Kamenickova refused to specify the amount of the debt. "We still expect a great fluctuation in this area," she said. The public debt was divided in the 2:1 ration in the process of the partition of the Federation. According to her, the Czech Republic has no problems covering the payments, but some difficulties regarding the financing of the debt have transpired in the Slovak Republic. The draft 1994 budget should be prepared in the first half of 1993. The Czech Republic Finance Ministry is in the process of drafting new budgetary regulations that are to take effect in 1995. According to these regulations, the state budget should be prepared for longer periods than it has until now. At this time the budget period is one year.

Klaus Praises Economy at European Banking Forum

AU2502224293 Prague CTK in English 1253 GMT 23 Feb 93

[Text] Prague, Feb 23 (CTK)—The low Czech Republic's inflation rate is the best indicator of a stable economy, Czech Premier Vaclav Klaus stressed today in his remarks at a three-day European Banking Forum here.

The lowest inflation rate in post-communist Eastern Europe was accompanied in the last quarter by the start in the growth of the gross national product, Klaus said.

He pointed out the extremely low Czech unemployment rate which was much below the common average. The Czech Government did not expect it to surpass 5 percent this year, Klaus added.

Asked when his government would start to stimulate foreign investments to the Czech Republic, Klaus answered that a stabilised Czech economy should be the best inducement for foreign investors.

The harmoniousness of the recent Czech and Slovak partition cannot happen everywhere, an effort must be always made to reconcile mutual differences, President of the European Bank for Reconstruction and Development (EBRD) Jacques Attali said at the forum today.

He cautioned that dark forces may still prevail in some East European countries over market forces. Also, the state-owned banks' debts would necessitate an immediate closing of enterprises responsible for these debts in Western countries.

A functional banking system was a necessity of developing real market economy, Attali added.

Vice-President of the European Community Commission Henning Christophersen stressed that the integration of the East European countries into the EC would assist pan-European efforts to consolidate human rights and economy.

One of the foremost tasks Eastern Europe should immediately tackle was the prevention of tax evasion, the EC official advised.

The European Banking Forum aims to assist bankers and financiers from Eastern and Central Europe to establish contacts with their counterparts in the West and to acquaint them with latest banking technologies. Its organisers, the nonprofit group Comenius, have selected Prague as the site of annual conferences.

The current conference is the first one ever held and more than 300 persons are participating.

EC Commission Vice President Praises Economic Results

AU2502224393 Prague CTK in English 1626 GMT 23 Feb 93

[Text] Prague Feb 23 (CTK)—Henning Christophersen, vice president of the European Community (EC) Commission, has praised the results achieved thus far in the implementation of economic reform in the Czech Republic.

At a meeting with Czech Premier Vaclav Klaus today, Christophersen stressed that these results create conditions for a relatively smooth course of discussion on the Czech Republic's admission to the European Community.

Klaus and Christophersen exchanged views on the development of Czech-Slovak economic relations.

Christophersen is attending in Prague a three-day international banking forum which opened today.

Economic Development Statistics Released

AU2602114993 Prague HOSPODARSKE NOVINY in Czech 22 Feb 93 p 3

[Report by "(v)": "Before the Turning Point"]

[Text] The Czech Statistical Office presented on Friday [19 February] its first preliminary evaluation of the Czech Republic's economy in 1992. A more detailed analysis will be available in mid-March. As it ensues from the report, the previous year was full of controversies, an abnormal year in many respects, be it the economy's response to the upcoming division of the federation, transformation processes (particularly in agriculture), decline in inventories that inevitably followed after their excessive growth after 1991, or the persisting economic recession in West Europe and the crisis in Eastern Europe.

Nevertheless, according to the Czech Statistical Office estimate, we succeeded in stopping the decline in real gross domestic product. Over the year, the gross domestic product was 7.1-percent lower than in 1991, but in the second half of the year, it was slightly higher than in the same period in 1991. According to the preliminary data, gross domestic product reached 738.8 billion korunas last year (in current prices). The share of the private sector in creating gross domestic product (without the cooperative sector) rose from 10.6 percent in 1991 to 19.5 percent in 1992. Its share rose in all the sectors: in industrial production 14.5 percent, in overall construction output 46.0 percent, in cargo transportation 36.4 percent, and in retail trade and public catering to almost two-thirds of the overall volume of sales.

Manufacturing Sector

The decline in industrial production became less steep than in 1991. Despite this, the overall industrial output was lower by 10.6 percent compared with the previous year, and 13.7 percent in industrial enterprises with 25 and more employees. Small enterprises with up to 100 employees were more dynamic last year. Their production rose, compared to the previous year, 18 percent. The overall decline was mostly due to largest industrial enterprises. In their case, the less efficient utilization of production capacities was recorded, as was the largest discrepancy between the development of production and the number of employees, and the consumption of electric energy.

The building industry was relatively the fastest to adapt itself to new conditions of economic transformation. This can be seen from the number of companies and the growth of overall output in this sector. Overall output in the construction industry, including the private sector, was 22-percent higher last year than the previous year. Construction works done abroad were highly dynamic. In a similar manner as in industry, the production rose most sharply in small construction firms, whose activity responds more flexibly to the demand for smaller construction works, such as reconstructions, repairs, and adaptation.

In the transportation sector, there was revival in public road cargo transportation. The volume of transported goods, in tonnes, was 5.1-percent higher than in the previous year, while measured in transported tonnes per kilometer rose 8.7 percent. This testifies to the fact that the average transportation distance rose, mainly due to the more extensive international truck transportation.

According to the first estimates, last year gross agricultural output was 11.8 percent lower than in 1991. In crop farming this decline was 14 percent, in animal farming 10.1 percent. The inventories of beef cattle and poultry were declining, too, while the inventories of pigs remained on the level of the proceeding year.

Last year, employment declined in industry and agriculture, and the transfer of workers from larger enterprises to smaller ones, and from the state sector to the cooperative sector continued. According to preliminary data, 126,000 people left the industrial sector, and 87,000 left agriculture. In the building industry, employment remained on the 1991 level.

Foreign Trade

According to the preliminary report on customs statistics, imports in all-charges-paid prices were 252 billion korunas in 1992, and exports 229.4 billion korunas. That is, there was a deficit of 22.6 billion korunas in the trade balance. Compared with 1991, the value of imports was slightly higher, 20.7 percent, and exports lower, 1.8 percent. The pronounced orientation of foreign trade toward the countries with market economy continued. In overall imports, imports from advanced countries with a market economy rose from 57.5 percent in 1991 to 67 percent in 1992; of this, from 39.8 percent to 45.1 percent in the case of EC. In overall exports, exports to advanced countries with a market economy rose from 55.2 percent to 67.8 percent; of this, from 43.3 percent to 52.8 percent in the case of EC. In imports, the number of machines, transportation facilities, and industrial consumer products rose, and on the contrary, the quantity of fuel, raw material, and materials declined. In exports, we did not succeed in stopping the decline in the export of mechanical engineering products and the increasing trend the export of fuel, raw materials, and materials.

Despite the deficit in foreign trade, the overall payment balance is roughly balanced, primarily owing to the export of services. Apart from that, the Czech Republic

showed a large surplus with respect to Slovakia last year, some 16 billion korunas, according to the estimate, despite the fact that there was a significant decline in mutual trade even before the division of the country.

The state budget economy ended in a deficit of 1.0 billion korunas last year. Budgetary income was 251.4 billion korunas, which is 100.6 percent of planned budgetary income. Budget spending was 252.4 billion korunas, which is 101 percent of planned budgetary expenditures. After additional income and spending is entered in the books, it can be expected that the deficit will be even greater.

Prices and the Standard of Living

The average yearly inflation rate—derived from the changes in consumer prices—was 11.1 percent in 1992, against the preceding year. Food prices rose 9.1 percent, nonfood prices 9 percent, and prices for services 25.6 percent. In the first half of the year, the growth of consumer prices was generally small. In the second half of the year, due to the adjustments made to rents in communal housing, water and sewage rates, transportation fees, and postal rates, this growth was faster.

Prices for industrial products rose more slowly than consumer product prices. In 1992, they rose, on average, 9.9 percent against the previous year. The development of these prices was quite uneven in individual sectors. For example, prices rose 22.3 percent in wood processing industry prices, 18.7 percent in mechanical engineering, prices for construction works rose 9.1 percent, and prices for agricultural products rose 7.7 percent.

The cost of living in 1992 was higher 11.4 percent in the households of employees, 10.9 percent in the households of farmers, and 13.3 percent in the households of pensioners.

According to the preliminary estimates, the real income rose some 9 percent last year. The average nominal wage in organizations with more than 25 workers was 4,793 korunas, and in the building industry 5,026 korunas. Wages rose most sharply in financial institutions, insurance companies, and budget-run organizations. The overall sales in retail system and public catering was 30.6 percent higher—in current prices—than in 1991, and 19.8 percent, as far as the physical volume is concerned.

By the end of last year, the Czech Republic had 10.321 million inhabitants. Migration is greatly responsible for the fact that the population increased by 12,000 people, measured against last year.

Dlouhy Calls For More Bank Credits at Forum

AU2602140293 Prague CTK in English 1926 GMT
24 Feb 93

[Text] Prague, Feb 24 (CTK)—European Bank For Reconstruction and Development Representative Alex Tyrteos said today that the unambiguous success of large privatisation in the Czech and Slovak Republics has increased Western interest in obtaining long-term credits in the two countries.

Tyrteos was speaking today on the final day of the European Banking Forum, which began Monday [22 February] in Prague. He added that a shareholding public is arising in the republics, and that savings banks have a high liquidity.

Czech Minister of Industry and Trade Vladimir Dlouhy said however that the unwillingness of domestic and foreign banks in the Czech Republic to carry credit risks is incompatible with the needs of the country's economic development. Restructuring privatised enterprises and preparing them to use long-term credits effectively should be attainable in a few years, he said. Dlouhy called upon banks to heighten their lending activities nonetheless, without attempting to secure government guarantees, since the government intends to grant them only to strategic energy and infrastructure projects.

President of the Prague Stock Exchange's Trade Committee Vladislav Pavlat said the exchange's priority will be to cover all business liabilities in the Czech Republic with the stocks of newly privatised enterprises.

Pavlat said that although an exchange would create outstanding possibilities for Czech businesses to attract foreign capital through the sale of stocks, businesses are nonetheless currently showing little interest in issuing stock on such an exchange.

Pavlat said a stock exchange should open in Prague in March, and that about 500 brokers' licenses, valid until the end of the year, had been issued. The Czech Ministry of Finance is currently working out requirements for brokers to receive licenses for next year.

About 300 banking and financial experts from around the world participated in the Banking Forum. Of the approximately 50 banks registered in the Czech Republic, only seven sought accreditation for the forum, a low turnout that Karel Muzikar, president of the forum's organizer, Comenius, described as surprising, especially given the opportunities to meet with prominent figures of the financial world.

Muzikar said the aim of the forum was to help bankers and financiers from Central and East Europe meet their Western counterparts and familiarise themselves with the latest banking technology. He added that the current forum was the first of its kind, and that Comenius would like the forum to take place annually in Prague.

Czechoslovak Social Democracy Change Name

LD2702171193 Prague Radiozurnal Radio Network in
Czech 1600 GMT 27 Feb 93

[Excerpt] The Czechoslovak Social Democracy has changed its name to the Czech Social Democratic Party. This decision was made by the majority vote of delegates at the 26th party congress, which continues in Hradec Kralove.

Valtr Komarek, member of the Presidium of the Party Central Committee, pointed out at the congress that the

Czech Republic must expect a wave of bankruptcies of industrial and agricultural enterprises in the upcoming period. His view is that the revival of the economy, as spoken about by the government coalition, has not materialized. What has happened is allegedly only the revival of consumption without the growth of production and export.

Valtr Komarek considers avoiding inflation and its reduction to a manageable level of five percent, above all through pressure on prices and pressure on demand, to be the key point in the economy. [passage omitted]

Jiri Horak Elected Honorary Chairman CSSD

LD2802212493 Prague CTK in English 1939 GMT 28 Feb 93

[Text] Prague, Feb 28 (CTK)—Delegates to the 26th CSSD [Czechoslovak Social Democratic Party] Congress, which ended in Hradec Kralove today, elected resigning Chairman Jiri Horak as CSSD honorary chairman for his fundamental contribution to the restoration of the CSSD after the fall of the Communist regime in Czechoslovakia in November 1989.

Participants adopted a programme which states that the party will not cooperate with the KSCM [Communist Party of Bohemia and Moravia] and will not form any pre-election coalitions with it.

The CSSD rejects the weakening of political democracy for the sake of an authoritarian regime under the pretext of the accelerated introduction of a market economy, states the programme.

Army Budget Structure Outlined

AU2502200193 Prague HOSPODARSKE NOVINY in Czech 24 Feb 93 p 3

[Report by "hr": "Soldiers Must Make Do With Little; New System of Managing the Czech Army's Economic Affairs"]

[Text] Given the Army's present structure, the Czech Army budget for this year, 22.988 billion korunas, suffices to secure only the most basic needs and does not permit any development of the Army, according to Czech Deputy Minister of Defense Miroslav Kalousek.

As Kalousek told a news conference in Prague yesterday, 7.5 billion of the budget is earmarked for materials purchases, 6.5 billion for wages, 1.5 billion for capital investment, 2 billion for maintenance, and 4.5 billion for

expenditures of a nonproductive nature. Kalousek termed the Army budget a budget for survival.

Along with the Czech Army's new organizational structure, the methods of managing its economic affairs, too, will undergo major changes. The system under preparation, which is to be introduced as of the beginning of July, is based on consistent observance of the principle of mutual control. Under the new concept for the conduct of economic affairs, the Army will not have any exclusive relationship with any organization. The procurement and sale of material ought to be managed from the center.

The commercial activity of the X-Trade Company, a subsidized organization in charge of procurement, selling Army property, and dealing in Army surpluses, has been halted. Liquidation proceedings will take place from 1 March to 30 June. After the approval of a directive on transferring Army real estate (through the medium of real estate agents), a similar internal legal norm is being drafted to regulate sales of material. The main principle of the directives is to rule out subjectively motivated decisions. Because of lack of transparency in some instances of property transfer, the Army's inspection authority drafted a report, according to Miroslav Kalousek, that has been passed on to the main military prosecutor.

As for the weapons that have been confiscated by the Czech Police in recent weeks, Military Police Press Spokesman Miloslav Cech said that, according to the machine guns' inventory numbers, none of them belongs to the weapons that have been stolen from the Army in the last few years. In his opinion, they belonged to SVAZARM [Union for Cooperation With the Army], which since the mid-seventies has acquired about 5,000 machine guns for training recruits. After being discarded by the Army, however, these machine guns were rendered inoperative in military repair shops.

New Military District Commander Introduced

AU2502200993 Prague CESKY DENIK in Czech 23 Feb 93 p 2

[CTK report: "A New District Commander"]

[Text] Tabor—Defense Minister Antonin Baudys yesterday introduced the new commander of the Western Military District [VVZ], Major General Lubomir Jura, to the commanders' assembly in Tabor. Jura had previously been in charge of the VVZ's armaments and equipment procurement. The former VVZ commander, Lieutenant General Vaclav Grohman, has been appointed deputy chief of the Czech Army General Staff Operational Administration.

Meciar Outlines Republic's Policy in Speech

*AU2602141293 Prague CTK in English 1800 GMT
24 Feb 93*

[Text] Brussels, Feb 24 (CTK)—Slovak Premier Vladimir Meciar met today with Jacques Delors, president of the European Community (EC) Commission, for talks on Slovakia's new association agreement with the EC, which will replace the one signed by the former Czechoslovakia in December 1991.

On the second day of his visit to Brussels, Meciar also met with Hans van den Broek, EC Commission Member for External Political Relations, and with members of the European Parliament Committees for External and Economic Relations.

In his 40-minute address to the European Parliament, Meciar assured deputies that Slovakia is striving for a functioning democracy with all its attributes, including respect for human rights and the rights of ethnic minorities. He said Slovakia is ready to agree to European Parliament supervision in this respect.

On Slovakia's economic policy, Meciar said the process of privatisation is important but must be aimed at ensuring growth and not at getting the highest possible prices for the privatised facilities.

He added that Slovakia does not want to question its customs union with the Czech Republic as it is well aware of the significance of trade between the two republics.

Slovakia seeks integration into all European structures, including the military ones, Meciar said. He added that since NATO does not intend to increase the number of its members, Slovakia wants to participate in building a system of collective European security.

He noted that Slovakia has reduced its arms production to about 12 percent of its former output, and said that such a rate of conversion of arms production into civilian production cannot be preserved for economic reasons and must be slowed down.

Meciar said the main task of Slovakia's economic reform is to create as soon as possible conditions in which the republic would be able to compete with its neighbours, mainly the Czech Republic, Poland and Hungary.

At a press conference at the close of his two-day visit, Meciar said the Slovak delegation had not come to Brussels to seek any loans. Asked about how Slovakia intends to resolve its current financial problems, Meciar said there are other means besides loans. Slovakia owns considerable property which may be sold, he said.

Although Meciar said the results of his talks in Brussels were positive, he nevertheless complained about the EC's attitude toward Slovakia's steel exports, saying Slovakia expected more understanding in this question. He said the republic practically liquidated its arms production when it was pressed to reduce it.

Answering questions concerning the Gabčíkovo waterworks on the Danube, Meciar claimed Slovakia is limited by the fact that the problem of the Czech Republic's succession to the 1977 Czechoslovak-Hungarian agreement on the project has allegedly not been solved yet.

After the press conference Meciar ended his visit to Brussels and left for Bratislava.

Meciar Discusses Gabčíkovo Dispute During Brussels Visit

*AU2602141093 Prague CTK in English 2225 GMT
24 Feb 93*

[Text] Bratislava, Feb 24 (CTK)—The Hungarian-Slovak dispute over the Gabčíkovo waterworks on the Danube should be solved at the highest political level—by the premiers of the two republics, Slovak Premier Vladimir Meciar said on his return from a working visit to Brussels today.

He said that since all successor rights to the formerly Czechoslovak-Hungarian hydroelectric project have been passed by the Czech Republic to Slovakia, talks with Hungary on passing the dispute to the International Court of Justice in The Hague may be launched immediately.

Meciar rejected Hungary's offer for financial compensation to Slovakia for not producing electric power in Gabčíkovo.

On one side we are pressed by Austria because of our (nuclear) power plant in Jaslovské Bohunice (West Slovakia), on the other by the Czech Republic, which wants to cut its power production for environmental reasons, and Hungary wants us to halt the completion of Gabčíkovo. So I told the European Community we are sorry but we do not want to return to using candles, Meciar said.

He announced he had invited European Community (EC) Commission President Jacques Delors to visit Slovakia, and that the invitation was accepted.

He said he had also invited the EC commissioner for external economic relations and trade policy to visit Slovakia and assess the situation in Gabčíkovo personally. He will arrive on March 15, Meciar said.

On Slovakia's relation to NATO, Meciar said Slovakia's membership would be a very expensive affair since it would have to rebuild all its system of command and buy sophisticated military equipment which would require billions of crowns.

He said that during his talks in Brussels he pointed out Hungary's purchase of weapons from Russia and other countries. We said we register the arms purchase, which does not cause hysteria but arises concern, Meciar said.

Foreign Ministry on Hungarian Premier Meeting Meciár

LD2702220093 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1600 GMT 27 Feb 93

[Text] A statement by Janos Martonyi, state secretary in the Hungarian Ministry of Foreign Affairs, to the effect that the meeting of Slovak and Hungarian Prime Ministers Vladimir Meciár and Jozsef Antall would only be feasible in the event of a decision being made prior to the meeting on the drafting of a joint application for the International Court in The Hague and on an interim water management system on the Danube, is, to say the least, misleading. This is said in a statement made by Jozef Lisuch, state secretary in the Slovak Ministry of Foreign Affairs.

The statement goes on to say that the proposal put forward by Vladimir Meciár, suggesting a meeting with his Hungarian counterpart, is based precisely on resolutions adopted at a trilateral meeting in Brussels on 16 February and was recommended also by the EC Commission.

Knazko Not Worried About Hungarian Rearmament

AU0103155093 Prague CTK in English 2113 GMT 25 Feb 93

[Text] Bratislava, Feb 25 (CTK)—Slovak Foreign Minister Milan Knazko is convinced that Slovakia faces no threat of a Hungarian military aggression, he told journalists today.

He said that it was not up to Slovak politicians to judge the modernisation of Hungary's armament industry or the number of flying hours by Hungarian military aircraft.

On Czech-Slovak cross-border traffic, Knazko said that during Czech Premier Vaclav Klaus's visit to Bratislava on Monday [22 February], it was agreed to set up expert groups to debureaucratise the contacts.

He said he was concerned about some forwarders travelling from one republic to the other via Austria in order to avoid the bureaucracy.

Knazko said he would soon visit the Geneva-based UN Human Rights Commission and will travel to Brussels for a meeting with ministers from the countries of the Visegrad Group, made up of the Czech and Slovak Republics, Hungary and Poland, and the European Community (EC).

President-Elect Satisfied With Minister Knazko

AU2602140093 Prague CTK in English 1547 GMT 24 Feb 93

[Text] Bratislava, Feb 24 (CTK)—After meeting with Slovak Foreign Minister Milan Knazko today, Slovak President-elect Michal Kovac announced that he was

satisfied with how Knazko is running the department, but declined to say whether he would recall Knazko if Slovak Premier Vladimir Meciár asked him to.

Kovac said he was satisfied with his meeting with Knazko and ministry department heads, and was pleasantly surprised at how many experts there were. He added that he has no reservations about the ministry's conception of Slovak foreign relations.

Kovac said it is important that he become familiar with the situation at the Slovak Ministry of Defence and Ministry of Foreign Affairs. He said that Slovakia needs to increase its credibility abroad. Therefore I am interested in finding out how the ministry is prepared and how it will be able to help the president in his international activities, he said.

When asked if Knazko could count on his support, Kovac said that he will support every minister who fulfills his responsibilities.

In response to Meciár's recent statement that the Foreign Ministry is the weakest part of the Slovak Government, Kovac said that Meciár has a right to his own opinion because he has already been premier for a long time.

Kovac said that he endorsed the policies of the Movement For a Democratic Slovakia (HZDS). The HZDS policies were also my policies, but because I want to be a nonpartisan president, I must change my relationship to all political parties and movements, he said.

Christian Social Union (KSU) Chairman Jan Klepac has been asked to advise Slovak President-elect Michal Kovac on international policy, Kovac told journalists after meeting with Slovak Foreign Ministry officials today.

The nationally oriented KSU split from the Christian Democratic Movement (KDH) in spring 1992.

Klepac told journalists that as deputy chairman of the Slovak National Council from June 1990 to June 1992, he had had responsibility for foreign policy.

Communist Official Explains Government Relationship

AU2502185193 Bratislava PRAVDA in Slovak 20 Feb 93 p 5

[Interview with Peter Weiss, Party of the Democratic Left chairman, by Martin Krno; place and date not given: "How the Party of the Democratic Left Struggles for Power"]

[Text] Numerous readers called our editorial office recently, who—in the context of the just-concluded series of political consultations—do not quite understand the relationship existing between the Party of the

Democratic Left [SDL] and the ruling movement. We turned with these questions to the person best suited to answer them—Peter Weiss.

[Krnó] What did Michal Kováč promise you in exchange for your vote?

[Weiss] Several reporters created a propagandist stereotype that we negotiated at our meetings. We have not made any political deal with Mr. Kováč. He let all parliamentary parties know that they should propose experts for the work in the Chancellery of the president. Regarding this, we are holding talks with the president. We voted for Mr. Kováč as a distinct political figure. This does not at all mean a trade for posts in the state administration or that we support the government policy of the Movement for a Democratic Slovakia [HZDS]. Our consultations and the utilization of the SDL experts are just an extension of the December talks of the representatives of the political parties and movements in Trenčianske Teplice. There is no connection to the election of the head of the state. The president did not reject our philosophy that all the constitutional posts should not be in the hands of a single political entity. The question of the Constitutional Court remains open. The parliament will choose the chairman of the Slovak Republic Supreme Control Office in a secret vote. We will certainly propose an excellent candidate.

[Krnó] In February, you organized three meetings with the HZDS representatives. Why did Mečiar not take part in them?

[Weiss] Shortly before the talks, the director of the prime minister's secretariat told me that Mečiar wishes to be excused because he is sick. I do not know of any other reason for his absence.

[Krnó] Why did you so sharply criticize the government at the 16th session of the National Council of the Slovak Republic? Could it be that you are struggling for power?

[Weiss] I spoke up sharply—it was matter-of-fact and analytical appearance, I believe—against the government because the situation called for it. After all, it is not a healthy situation when the exceptions to the government's activity are expressed not only by the trade unions, but also by businessmen, the Slovak Chamber of Industry and Commerce, and pensioners, and calls for the resignation of several ministers are often repeated. Our conceivable entry in the government depends on the degree of the government's ability to analyze its hitherto operation. We are not willing to assume the responsibility for that which we could not affect. The fact that the parliament turned down my proposal to include in the updated government policy statement a report on its implementation to date indicates that the HZDS does not want to clear the table for talks on the conceivable expansion of the social and political basis of the government.

Minister Discusses Privatization Problems

AU/0103083693 Bratislava NARODNA OBRODA in Slovak 24 Feb 93 p 8

["Excerpts" from a discussion between Lubomir Dolgos, minister for the administration and privatization of national property, and members of the NARODNA OBRODA editorial staff, "prepared by Stanislav Tomanek": "Are the Apparatuses Bringing Ministers Under Their Thumbs?"—held in the NARODNA OBRODA editorial office in Bratislava, date not given]

[Text] [NARODNA OBRODA] Mr. Dolgos, let us start with a standard question: What is your philosophy on the process called privatization?

[Dolgos] I understand privatization as a restructuring of proprietary relations in the interest of economic prosperity. Interests unavoidably clash wherever property is at stake. Whatever we do, one will never be satisfied with a ministry that decides on such issues. Every decision that we take actually enlarges the circle of dissatisfied people, to use a euphemism. One has to become reconciled to this and must not regard it as extraordinary.

[NARODNA OBRODA] The new concept of privatization has not been accepted without reservations. There is no shortage of critics who go so far as to speak about stagnation in the privatization process....

[Dolgos] The difference between the new concept and the past privatization practice is that we have pushed the coupon method into the background because it turned out not to have been efficient enough. We have moved to the foreground standard methods, public tenders, and public auctions. The comments about the privatization process slowing down must be understood in the proper context. The privatization process has four phases. In the first phase a state enterprise drafts a privatization project. In the second phase this project is appraised by the pertinent ministry. The third phase involves the project's appraisal by our ministry. When direct sales are involved, the government, too, delivers its opinion. The fourth phase is implementation. The problem of privatization is often viewed too narrowly, with attention focusing just on the project's appraisal by our ministry or by the government. What matters, however, is implementation, because we can speak about privatization only when all rights have been transferred to the new owner. Unfortunately, hardly anyone takes interest in this. In other words, the processing of privatization projects is not decisive, but their implementation is. The National Property Fund has returned a number of projects to us that had been approved in the past because they are not realizable.

[NARODNA OBRODA] You have indicated that privatization is a process in which interests clash. How is this making itself felt?

[Dolgos] The resulting vector, so to speak, is small because it is the sum total of contradictory interests. The

most important thing is the settlement of property rights. A company is interested in a settlement only as long as it has the guarantee that it will be the new private owner. As soon as it discovers that it will be exposed to a tender or that its sale to someone else is being planned, it stops cooperating.

[NARODNA OBRODA] Do other government departments have genuine interest in the continuation of privatization? Which bureaucrat likes to give up his chair and does so voluntarily?

[Dolgos] Continuing privatization deprives, above all, the economic departments of scope for decisionmaking; that is, the apparatus is losing its former privileged position. Company directors will no longer be tiptoeing in front of a desk-officer's office cap in hand. Precisely here lies the key to accelerating privatization. A mechanism needs to be worked out so that all interests are oriented in one direction. Under the law, we cannot change a privatization project. It comes to us from the relevant government department, which prefers direct sale to someone. We find out, for example, that there are seven competing privatization projects. We ask why this particular project was given preference. They reply that they are the experts, that they made a decision, and that we should respect it. We insist on competition, but they turn it down and time flies.

[NARODNA OBRODA] The currency problems have no doubt impacted the privatization process....

[Dolgos] From the short-term point of view, there are only a few possibilities of replenishing foreign exchange reserves. The sale of property abroad with prompt payment is one of these few possibilities. Sometimes we must take the risk, abandon the idea of competition, and sell property to someone directly. At the same time, we are being pressured [by foreign buyers] to be benevolent as far as prices are concerned. Our market has shrunk, there are deflationary expectations, all of which will be negatively reflected in the price of our companies. I also spoke about this in parliament—when we now help the currency by quickly selling some companies, then, as soon as the currency situation improves, we will stand accused of having sold out national property cheaply. We have just sold all shares of the former SIT (Slovak International Tabak) to the German Reemtsma company. We actually jumped on a moving train because Reemtsma already owned 31 percent of the SIT shares and because the company's statutes contained a clause on the right of first refusal. The price was lower than it would have been last year.

[NARODNA OBRODA] There is no doubt that we are interested in foreign capital. But are we taking practical steps to attract it?

[Dolgos] Yes. For example, from 24 to 26 February we will organize in Bratislava's Forum Hotel an international investors' conference on doing business in independent Slovakia. Potential investors will receive comprehensive information on our economic and political

conditions. The conference, which will be held under the prime minister's auspices, is organized by the Ministries of Finance, Transportation and Communications, and Economy, as well as my own ministry. We will present specific projects that might be of interest to foreign investors.

[NARODNA OBRODA] Are there no legislative or other problems that negatively influence the privatization process?

[Dolgos] I do not see any legislative problems. The amendments to the law on large-scale privatization and to the law on the National Property Fund have helped to eliminate such problems. I have been part of three governments, and there have always been conflicting views between the economic departments and the privatization ministry. My impression is that, whoever may chair a ministry, in the end he will always yield to the logic of the apparatus's perspective. This apparatus is a force with huge inertia. You probably have no idea how strong it is. This force is almost self-destructive. Of course, the ministers' individual perspectives also play a role.

[NARODNA OBRODA] Property worth hundreds of billions of korunas is waiting to be privatized, but the available domestic capital amounts to only a fraction of this sum. Isn't the fact that we will be forced to privatize companies for one-tenth of their value a fundamental problem?

[Dolgos] I would not see a problem in that. Natural resources, the railroads, and the like will not be privatized. And the value of enterprises is their book value, which may not correspond in the least to their market price. We are having a problem with the control department in this regard; they are accusing us of underselling enterprises. It is not true that the value of something as a certain amount of social work is given once and for all and that it does not develop dynamically as time goes by. The idea that value is something that does not change still lingers on at the back of people's, and also controllers', minds.

[NARODNA OBRODA] What are your plans with regard to the large chemical companies, and what will happen with the smaller ones?

[Dolgos] Let me cite Professor Parkinson's law: When the board of a company meets, it spends five minutes discussing investments amounting to millions. Because no one really understands the issues, they approve everything very quickly. This is followed by a drawn-out discussion about how much the board can spend on coffee. The same applies, analogously, to the privatization of big and small companies. One would expect the privatization of small companies to be free of problems. That is not the case, but is quite the contrary. Everyone has the guts to run a small company, and the range of would-be buyers is bigger. You remember the privatization of gas stations, newspaper kiosks, and the like. This is where the pressure is the strongest. The privatization

of the Slovnaft refinery, for example, has been discussed for a very long time because it is a strategic issue. The offer extended, for example, by the Austrian OMV must be studied very thoroughly. As for the smaller companies, it seems to us that they lend themselves to privatization by their own labor forces. Being the owner can be an excellent stimulus for an employee. But would an employee of the East Slovak Iron Works be motivated by the ownership of one-millionth of the company?

[NARODNA OBRODA] The Slovak Republic has been independent for two months. Has this fact led to an increased interest among foreign capital?

[Dolgos] I can judge on the basis of foreign visits to our ministry. Using this as a yardstick, the interest has slightly increased. The other thing is that there is no shortage of those who come here for free consultation. These people then offer their services to firms, promising to mediate this or that deal. The majority, however, are serious businessmen. The international investors' conference I have mentioned will be a good indicator of interest. Investment banks and large corporations are supposed to come; the conference is to serve as a meeting place for our and foreign businessmen. Geographically, interest stretches from the U.S. West Coast to Japan. We have received 90 applications so far. I believe that the recent election of the Slovak president will have a salutary effect on investors. Our businessmen must stop being timorous, but must actively seek contacts.

[NARODNA OBRODA] Will privatization extend also to the sphere of culture?

[Dolgos] I do not think that the National Theater, for example, will be privatized. But when I am told that the Nitra Theater employs 150 people, 20 of whom are actors, it makes me think. It is just like with our Privatization Ministry. At the best of times, we are about 110 people. And the eyes of control bodies, parliament, the government office, journalists, and others are all fixed on us. They all keep close tabs on us, watching our work, and their number exceeds manifold the number of those who do the actual work. Were it the other way around, privatization would surely proceed more smoothly.

[NARODNA OBRODA] Is privatization a panacea? We are thinking in terms of a rapid improvement of quality of production and, above all, services.

[Dolgos] Change of ownership in itself does not solve everything. What is important is a change in people's thinking, attitude, and conduct. For example, in some businesses the standard of services has rapidly declined since privatization. I am confident, however, that this is not a representative sample.

[NARODNA OBRODA] What is slowing down privatization?

[Dolgos] Historically, there is little to rely on and the man who climbs a mountain first always faces an

arduous task. I believe, however, that restitutions are slowing down privatization considerably. It was originally believed that restitution [of property confiscated under the communist regime to its initial owners] would be an effective form of privatization, but these calculations rather had political motives. Our ministry has been inundated with some 2,000 unsettled restitution claims and, had it not been for them, we would have progressed at least one-third further.

[NARODNA OBRODA] The National Property Fund has gained about 14 billion korunas from the proceeds of small-scale privatization. The Fund should not behave like a big stocking; it should be reinvesting the proceeds, doing business, and making profits. Will any of this money be used for large-scale privatization?

[Dolgos] A part of these resources will return to privatization via the basic capital of banks. The money will be earmarked for specific privatization projects. The Fund must not repeat the mistake it made under the previous government, when billions were spent on bailing out companies that do not have a future.

[NARODNA OBRODA] Is it a coincidence that the ratio between the property offered for sale in the Czech Republic and the Slovak Republic in the first privatization wave, 2.29:1, is the same as the ratio at which the IMF decided to divide the membership quota between the CSFR's successor states?

[Dolgos] This is an extraordinary coincidence, which is astounding, to say the least. As to whether there is any connection between this fact and Vaclav Klaus' position as governor of this international financial organization, I am unable to tell exactly.

Support Declines for HZDS, Increases for SDL

AU2602140393 Prague CTK in English 1534 GMT 24 Feb 93

[Text] Bratislava, Feb 24 (CTK)—Slovakia's ruling Movement for a Democratic Slovakia (HZDS) has lost 6 percent of its support in the past month, according to a poll conducted by the Slovak Statistics Office among 1,257 respondents in January.

The poll revealed that the HZDS has the support of 24 percent of Slovaks (against 30 percent in December), the Democratic Left Party (SDL) is supported by 14 percent (against 12 percent in December), and the Slovak National Party retains its stable 9 percent.

A one percent rise in the number of supporters was registered by the Christian Democratic Movement (KDH—from 7 to 8 percent) and the Hungarian party Egyuttel (from 2 to 3 percent).

A total of 31 percent of the respondents said they did not support any political party, an increase of six percent over December.

According to the poll, the HZDS has the most opponents in Eastern Slovakia (40 percent), among the unemployed (42 percent), and among people between 25 and 30 years of age (39 percent).

SDL Drafts Alternative Economic, Social Platform
AU2502224793 Prague CTK in English 1302 GMT 23 Feb 93

[Text] Bratislava, Feb 23 (CTK)—The Democratic Left Party (SDL) has been working on an alternative economic and social programme for Slovakia, its chairman Peter Weiss told journalists today.

Slovakia's second strongest party (29 seats in the 150-seat parliament), the SDL expects the government to submit to the committees its reworded programme, adapted to the new state setup and currency split.

Possible dismissals of ministers would only betray the effort to divert attention from the essence of Slovakia's present problems.

Weiss said Slovakia's international stature would depend on whether or not its talks with the International Monetary Fund (IMF) were successful.

On Saturday [20 February], four of seven members of an IMF delegation prematurely left Slovakia. On Monday [22 February], a Slovak Finance Ministry source said that the talks between the government and the IMF had been halted due to Bratislava's unwillingness to devalue the Slovak crown and meet other IMF demands.

Weiss said the Slovak crown's devaluation does not depend on political will, but it will be necessitated by the actual economic situation. He thinks the devaluation will help restore economic balance, but unless it is supported by specific systemic measures, its positive effect may quickly disappear, Weiss warned.

Daily Analyzes Government's Import Surcharge Decision

AU2602135593 Prague CTK in English 0913 GMT 24 Feb 93

[Excerpt] Bratislava, Feb 24 (CTK)—[passage omitted] The daily PRAVDA directs its attention to government measures currently under preparation aimed at reducing imports and fostering exports from the Slovak Republic. The daily voices the view that though being of a great importance, such measures cannot be consistent if the government seriously counts on the introduction of a market economy.

Sergej Kozlikov, director of the Economic Policy Department in the Slovak Government Office, told the daily that the planned measures should result in improved discipline. He says a market has to be regulated by the state in the areas where it is seriously deformed.

Kozlikov says that the government is, for example, considering the introduction of a 20 percent import surcharge or, probably, a value-added taxes on imported consumer goods. The 5-percent import surcharge might, for example, be raised to 23 percent in the case of foodstuffs, he adds.

Kozlikov emphasises, however, that these are regulative, but not restrictive measures and that they will be temporary. Such measures are also being taken in developed countries under similar circumstances, he adds. [passage omitted]

Czechs Investigate Slovak Import Surcharges

LD2702115393 Bratislava STV 2 Television Network in Slovak 2250 GMT 26 Feb 93

[Excerpt] [Czech Industry and Trade Minister] Vladimir Dlouhy focused at a news conference today [location not stated] on the future of the customs union in connection with the Slovak side's intention to introduce import surcharges. The Council of the Customs Union will not be convened (?until) next week. However, individual ministers of the two republics will discuss matters. According to Minister Dlouhy, the customs union may continue to exist even if the Slovak side insists on introducing import surcharges.

[Begin Dlouhy recording, in Czech] We will very thoroughly investigate whether this measure is protectionist move to protect the domestic industry. If GATT arrives at this conclusion, it would unequivocally reject this import surcharge. [end recording]

[Announcer] The IMF will have an important say on this matter. According to Vladimir Dlouhy, the IMF will ask what next steps, including devaluation, Slovakia wants to introduce.

[Begin Dlouhy recording, in Czech] I want to make it clear that first, we have our very-well-defined policy toward Slovakia, second, that we are willing to search for accommodating solutions toward Slovakia since we are first of all interested in trade, and third, that we want to take steps that will not cast doubts on a customs union within this context.

At the same time I want to say clearly that there must be a certain limit to this willingness to go half-way. [end recording]

[Announcer] Responding to CTK's question on where the minister sees this limit, he did not give a specific reply, but indicated a probable accord with the IMF opinion. [passage omitted]

Meciar on Talks With IMF, Economic Problems

LD2802202793 Bratislava STV 1 Television Network in Slovak 1810 GMT 28 Feb 93

[Regular "Ten Minutes With the Premier" Address by Slovak Prime Minister Vladimir Meciar on 28 February, place not given—live or recorded]

[Text] Good evening, esteemed fellow citizens! The past week was crammed with international activities influencing the development of the Slovak Republic in various ways. The impact of a visit by IMF officials is still being felt—they visited Slovakia and broke off their talks here, saying they would return sometime later.

The substance of the differences of views, which emerged during this visit, concerns their assessment of the Slovak Republic's budget. On the assessment of the budget, according to their criteria, they base their opinion on whether the state's financial management is healthy or not. Our views differed in that the IMF considerably undervalued our state's income and subsequently asked for a reduction of our state's expenditure. At the beginning these differences were very wide, and though the views have been brought a bit closer they are still here.

Accepting their proposals to reduce our budget would force us to make very considerable adjustments in our support for farmers, our support for restructuring programs, and above all in the social sphere. Accepting their proposals would not only make it impossible to increase any social advantages and services this year, but also in the sphere of family benefits as many as fifty percent of all children would be affected.

This is mainly why we failed to reach an agreement. We envisage that both sides will continue their talks and we will brief you about the results.

A report, which originated among the deputies for the Party of Democratic Left, to the effect that we sold the Republic to the IMF is not true. We will not take any steps that would go against the interests of the citizens of this country.

The prime minister of the Czech Republic paid on an official visit for the first time. We received him with full honors, and as the prime minister of a country that is very close to us, a country that is our friend, and the one with which we shared and continue to share our destiny in many ways, although not as one state. This visit was important because doubts had been cast on many pledges after the agreement on the common currency became invalid, on whether the Czech Republic would be willing at all to continue to meet the 32 agreements concluded so far. Of course, the talks were very complex, prolonged. In spite of that, they represent a certain progress, although they did not wipe away all doubts.

We tackled several baskets of important issues. The one that is a particularly sore point to us is the issue of our common border and system of border control. The Slovak side envisaged that an absolute freedom would be introduced on this border, and that we would not be affected by the creation of two states. Unilateral steps leading to the introduction of custom houses, rendering the administrative work less transparent, requiring different documents all the time, a lack of clarity in the system of border and customs control, and the introduction of fees eventually led to the situation whereby many problems emerged with regard to commercial contacts.

We even pointed out to the Czech delegation that it is easier to get to Prague through Austria than through Moravia. We asked that this be rectified and we were promised that this would happen in a short time.

We also agreed that there would not be doubled customs checks, but that there would be only one checkpoint shared by both sides, one system of rules, and that we would introduce an automated system as soon as and if possible.

The second issue of great importance to us was Gabčíkovo. We have resolved this—you know the result.

Another basket of issues is related to the cross-border movements of people. It was suggested that we resolve the small border traffic problem so that people from one side of the border seeking services such as health and so on can go to the other side of the republic. We accepted this and we promised to support this. Unfortunately, several days after we had exchanged this promise a different tone resounded from the Czech Ministry of Interior; an effort was being made to change the system of cross-border contacts, to make it stricter, to introduce control over peoples' movements. The Slovak side does not agree with this. We cannot pretend to be European and act retrogradely. We cannot use words and sentences to Europe that speak of us going forward and then go backward in practical life.

Another important topic we discussed was the issues of Transgas [gas pipeline], its division, and so on. In principle there was no problem between the two prime ministers in stating that, from 1 January [1993], the transit oil [as heard] pipeline is divided. What is on our territory is our property. Neither was there a problem about agreeing to effect mutual payments and to sort out all obligations arising from these payments.

However, a few days later, during the ministers' talks, the situation changed. Not only was it stated that the oil pipeline was unified until 30 June 1994—which is yet to be discussed by the Slovak Government—but we were particularly stunned by the Czech side's announcement that it is making political and economic demands at once. Namely, that until an agreement on the Transgas pipeline is concluded it will not pass on the fees for services already rendered. It is getting the money from abroad, disposing of it as it pleases, and earning interest. This isn't at all nice.

We have therefore raised the situation and asked for an explanation. We have also demanded an explanation concerning medicines. We learned that the shortage of medicines in Slovakia is the result of a mistake made by the health minister or his ministry, but it is simply because the Czech side received a more attractive offer.

As for future relations, we are still keen and will do our utmost to resolve and remove mistakes and errors similar to those that have cropped up through political discussion.

Our visit to Brussels was a significant day for us. We held talks in the NATO headquarters, at the European Communities headquarters, and with the premier of the Belgian Government. This was important because we also put forward the stances of the Slovak Republic Government and assessed the situation, and how others view us, including the views and stances on our Hungarian neighbors. Wherever we went the Gabcikovo-Hungarian Republic issue was discussed.

Therefore, let me explain more in detail what was in fact discussed. In substance a decision should be made in May about our place within the structures of the European Communities—whether we will be accepted or not into some of its bodies. The issue of our acceptance has reached the level of political assessment and thus political criteria have been applied when assessing the Gabcikovo-Nagymaros issue. Less attention is being paid to principled and legal viewpoints.

I perceive this situation as a success achieved by Hungarian diplomatic activities and the failure of Slovak diplomatic activities. During our talks we had to define precisely on which issues we agree and on which we differ.

At a meeting I clearly stated that the Slovak side—once it becomes the successor, the only successor to the Czechoslovak-Hungarian treaty, which will thus turn into the Slovak-Hungarian Treaty—would be in favor of tackling legal issues by legal means. This means if there is a legal dispute it should be decided by the body which is appropriate to make decisions on such disputes—for instance, the Hague International Court. This is why I announced that the Slovak side is prepared to start talks on concluding a treaty on presenting the legal dispute before The Hague Court.

The second demand made on us is to adjust the [flow] ratio in water management of the Danube until dispute is decided in The Hague. We had been prepared to discuss it, although with the proviso that the two sides held different views. While the Hungarian side says the volume of water which flows through the old Danube River bed is the dominant issue, the Slovak side thinks the water level is decisive. If the water level on the old Danube is higher, it will be possible to feed even those branches of the Danube which have had no water for 15-20 years. We demonstrated the will to carry out such adjustments to the old Danube River bed at our own cost and straight away, provided the Hungarian side agrees to it. It is a gesture of goodwill that I have presented as such to the representatives of the Hungarian side through the EC. I proposed that the problem be resolved at the level of a summit. Naturally, working commissions would have to talk prior to that. It is, however, a problem which can be resolved; then it will stop worrying the international community. The initiative has been received positively within EC circles. As for other aspects of Slovak-Hungarian relations, they could be good. We have done our utmost to prevent Gabcikovo dominating these relations and to continue developing other aspects of

cooperation, too. We are keen to maintain good relations with our southern neighbor. We expect that initiatives and proposals similar to those presented by the Slovak side will be assessed and adopted by Hungary so that another factual problem is resolved in order to calm the opinion in Europe and the tension between our citizens.

I am an optimist despite the problems. Thank you.

Cernak Says Convertibility 'Priority'; No Devaluation

AU2802182493 Bratislava NARODNA OBRODA in Slovak 25 Feb 93 pp 1,2

[TA SR report: "Cernak: Convertibility Has Priority"]

[Text] Bratislava—Slovakia has a balanced foreign trade balance of payments. It is necessary to convince foreign banking circles and international financial institutions of this to make sure the Slovak Republic obtains funds to maintain its currency's internal convertibility and access to investments.

Slovak Economy Minister Ludovit Cernak said this in an interview with a TA SR correspondent. In view of the need to maintain a balanced balance of payments, Cernak gives priority to maintaining the currency's internal convertibility over temporary protection for the republic's foreign currency reserves. According to him, Slovakia has problems. The policy for eradicating them—that is, introducing a trade surcharge—conforms, however, to the kind of trade policy practiced throughout the world. At the same time, he added that Slovakia should not lose its reputation for liberal trade and business.

During last week's visit by International Monetary Fund (IMF) representatives to the Economy Ministry, the discussions focussed mainly on foreign trade, privatization, and the situation facing business entities, said Cernak. They did not discuss the possible devaluation of the Slovak koruna; however, the IMF representatives referred to the possible adoption of a "floating exchange rate" for the koruna in the Slovak Republic.

At a meeting in Modra-Harmonia involving representatives from the Economy, Foreign Affairs, and Agriculture Ministries and representatives from the economic and commercial sections of Slovak representative offices in 16 of the most important European countries, Cernak said, among other things, that it is unnecessary to devalue the Slovak currency because Slovakia has a balanced foreign trade balance. According to him, the introduction of import surcharges should only be a temporary measure. Armament production in the Slovak Republic should, in his opinion, continue for five to seven years with an annual deficit of 5-10 percent.

The introduction of import surcharges on foreign goods should proceed only after the Slovak Republic has been accepted into the General Agreement on Tariffs and Trade (GATT). According to Slovak representatives in

the permanent GATT mission in Geneva, membership of this organization is conditional upon reducing customs duties. Cernak conceded that it is necessary to coordinate the introduction of import surcharges and Slovakia's application for entry into GATT.

**Czechoslovak Commercial Bank Branch
Established**

*LD2602104293 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1100 GMT 25 Feb 93*

[Excerpts] Jozef Salak, the new managing director of the Czechoslovak Commercial Bank [Czechoslovak obchodni banka] for Slovakia was officially presented to journalists at the first news conference of this bank today. Journalists expressed interest in the bank's work and in its plans in Slovakia. Tamara Kemenyova has compiled an interview with Pavel Kavanek, Czechoslovak commercial bank director general, and Jozef Salak, Czechoslovak commercial bank managing director in charge of Slovakia.

[Begin recording] [Kemenyova] The Czechoslovak Commercial Bank is currently the only bank with a federative character, as one could put it. What is its current legal set up?

[Kavanek, in Czech] The legal set up remains the same as before. There is, however, one marked change. Because of the division of the balance of the Czechoslovak State Bank, its share or its participation in the [Czechoslovak] Commercial Bank was also divided. It amounted to 50.5 percent of the Commercial Bank stock holding. This proportion was divided between the Czech National Bank and the Slovak National Bank in the well-known 2:1 ratio.

We are a commercial bank registered in Prague. In Slovakia we will function as a foreign branch, on the premise that this entity will have one and only balance and its own appropriately adjusted organizational structure.

[Kemenyova] After the division of the federation, how do you deal with the undertakings toward foreign countries that ensue from loans taken for the benefit of the Czechoslovak state?

[Kavanek, in Czech] The Czechoslovak Commercial Bank remains a debtor vis-a-vis its foreign partners, although the entire economic consequences, or risks, that ensue from these credit relations are borne by successor states in the 2:1 ratio.

[Kemenyova] Mr. Salak, has the title Czechoslovak Commercial Bank been kept in Slovakia, too? How is the Czechoslovak Commercial Bank organized in Slovakia?

[Salak] The title of Czechoslovak Commercial Bank, joint stock company, does, indeed, remain. [passage omitted] Subjects of Slovakia own 25 percent of the stock capital of this joint stock company. In Slovakia, this bank will consist of a directorate with a Slovak-wide authority. There will be regional branches, which will set up local branches and subbranches. The directorate of this Slovak-wide branch will carry out all the functions of an independent bank, not only toward Slovakia itself, but its orientation will be mainly external, or in other words it will be maintaining contacts with more than 3,000 banks worldwide, which is what the Commercial Bank in Prague is doing. We from Slovakia will be gradually entering these relations. Credit lines' opening will be processed from Slovakia. Current accounts of other banks will also be opened from Slovakia. Our financial operation will encompass both exports and imports. Gradually we will aim at being accepted abroad in issuing guarantees and so on. [end recording]

Preparations Made for Planned U.S. Airdrops

LD2702202593 Budapest Kossuth Radio Network in Hungarian 1900 GMT 27 Feb 93

[Text] Preparations have been made in Hungary just in case the U.S. delivery planes should get into trouble in the course of their action in eastern Bosnia. According to the Budapest correspondent of DER TAGESSPIEGEL, not only Hungarian units will be on alert at the Hungarian bases. Military experts consider it absolutely necessary that the U.S. planes arriving from Frankfurt be accompanied by fighter planes as far as the southern Hungarian border.

Ukrainian President Arrives on Two-Day Visit

LD2602144493 Budapest MTI in English 1335 GMT 26 Feb 93

[Text] Budapest, February 26 (MTI)—Ukrainian President Leonid Kravchuk arrived for a two-day visit here on Friday [26 February] in response to a joint invitation from Hungarian President Arpad Goncz and Prime Minister Jozsef Antall.

President Kravchuk is first scheduled to meet President Goncz. Plenary talks with the negotiating delegations headed by the Ukrainian president and Hungarian prime minister follow. Joint agreements are to be signed this afternoon, after which parliamentary speaker will receive Leonid Kravchuk. This evening, the two hosts will host a gala dinner in honour of the Ukrainian president in parliament.

Cooperation With Ukraine Welcomed

LD2602211193 Budapest MTI in English 1726 GMT 26 Feb 93

[Text] Budapest, February 26 (MTI)—Hungarian-Ukrainian ties are close in many ways, Hungarian President Arpad Goncz and his Ukrainian counterpart Leonid Kravchuk agreed at talks on Friday [26 February].

Kravchuk said 23 agreements of various levels prove that bilateral ties are on the right track, Hungarian presidential spokesman Andras Farago reported. The basis for developing the ties was created by a visit to Ukraine by Goncz in September 1990.

Goncz emphasised the significance of Ukraine's minority law and presidential implementation decree. The laws make it possible for ethnic Hungarian settlements to put up signs in Hungarian.

"Minority rights here are exemplary for Europe," Goncz said. He added Hungary has an interest in Ukraine integrating more with Europe. As a practical step, Budapest backs Ukraine taking part in various regional, subregional, and border-zone cooperation forums. The latest is the Carpathians-Euroregion group, designed to increase border regions' cooperation.

Also, Hungary sees it possible for Ukraine to participate in projects of the central European initiative.

Responding to Kravchuk's enquiry about the Visegrad group cooperation of the Czech and Slovak Republics, Hungary, and Poland, Goncz said the countries in the group seek to help each other on the way to Europe. "It is time we examined our consciences and find the aims we have realised and the chances still ahead," he said.

Discussing economic cooperation, Goncz said Budapest accepts a Russian-Ukrainian agreement on settling the former Soviet Union's debts to Hungary.

Kiev hopes Budapest will promote world investment in Ukraine and help the country open up to the West, Kravchuk said. He told Goncz Ukraine was considering an initiative to step up regional security. The Hungarian president's spokesman, however, declined to go into details on the initiative.

Goncz was reportedly interested in the idea but added Hungary's primary goal now is to build further ties with already existing security policy organisations. Also, Budapest gives security a wider interpretation than just the military sense, he added.

Cooperation Agreement Signed

LD2602214593 Budapest MTI in English 2010 GMT 26 Feb 93

[Text] Budapest, February 26 (MTI)—Hungary and Ukraine both want to join the European Community. Budapest supports Ukraine's regional and subregional cooperation endeavours, says a joint statement, signed by Hungarian Prime Minister Jozsef Antall and Ukrainian President Leonid Kravchuk on Friday [26 February]. Bilateral issues and present discussion results are set out.

Elaborating on the issue of security, the statement says Hungary and Ukraine will hold regular high-level consultations to safeguard regional security. Both Budapest and Kiev see national security guaranteed by work with international organisations. The sides attach great importance to strengthening the CSCE.

It repeats the sides want to solve all regional debates surfacing in the difficult transformation process only by peaceful means and compromises, in line with international norms.

The sides were concerned by delays in settling the South Slav conflict, which, they say, jeopardises regional security. They sharply condemned human rights violations like ethnic cleansing.

Antall and Kravchuk signed agreements on simplifying border zone traffic, opening border posts, and agricultural ministry cooperation. They also concluded an expulsion agreement.

As a positive example of cooperation, the statement cites the Carpathians-Euroregion association, set up by

border regions recently. Antall and Kravchuk agreed to back the expansion of the organisation. Also in the statement the sides pledged closer economic ties.

Budapest appreciated an Ukrainian law of last July on minorities. Kiev, in turn, expects Hungary to pass a matching law soon. The results of a joint Hungarian-Ukrainian Minority Affairs Committee's work can serve as an example for other countries.

At a press briefing after the talks, both Antall and Kravchuk said bilateral ties are excellent.

Answering a question, Kravchuk spoke about a security policy proposal he raised at talks with Hungarian President Arpad Goncz earlier in the day. He said after the collapse of the Soviet Union, Kiev sees a security vacuum in the region, which may tempt certain powers he declined to name to try to exert an influence on the region. Kiev, therefore, holds the view that sovereign countries in the region should fill that vacuum by concluding legal diplomatic treaties to guarantee their own security.

Kravchuk said the proposal "does not necessarily mean to create a new bloc to replace the former Warsaw Pact," but to state principles jointly under a new security policy initiative.

Antall firmly rejected the idea of concluding a treaty "similar to the Warsaw Pact." On the other hand, it is Budapest's belief that East-Central Europe may enjoy stable security, but Hungary thinks the goal has to be realised within the CSCE process. Hungary seeks to build close ties with NATO, attaches great importance to the CSCE, and puts great emphasis on ties with Russia.

Discussing the South Slav crisis, Antall and Kravchuk agreed everything must be done to achieve a ceasefire as soon as possible. Antall stressed the need to enforce related UN Security Council resolutions. He said although the UN-imposed embargo put a great burden on Yugoslavia's neighbours, the sanctions must be observed.

Speaking about the bloody conflict in Bosnia, he said the Vance-Owen peace plan was a good basis for settlement.

Jeszzenszky, Albania's Serreqi View Yugoslav Crisis

*LD2602171293 Budapest MTI in English 1357 GMT
26 Feb 93*

[Text] Budapest, February 26 (MTI)—Albanian Foreign Minister Alfred Serreqi arrived on Friday [26 February] for a four-day visit on invitation from Hungarian Foreign Minister Geza Jeszzenszky.

Serreqi held a two-hour long discussions with his host on the Yugoslav crisis and development of Hungarian-Albanian relations.

Foreign affairs spokesman said the foreign ministers stressed that Hungary and Albania have the similar principles and goals following the political changes, and good relations between the two countries contribute to the region's stability.

They said a stable settlement of the Yugoslav conflict is extremely important, also in the interest of Hungarians and Albanians living beyond the two countries' borders.

The foreign ministers agreed that the basic treaty between the two countries should be worked out soon, alongside a friendship and cooperation agreement, and a separate document on cooperation between the two Foreign Ministries.

They welcomed the dialogue between the parliaments and Defence Ministries of Hungary and Albania. They stressed the opportunities in developing tourism ties and agreed a deportation agreement is justified as well.

After, Serreqi met the press and detailed the situation in Kosovo.

He said the roots of the Yugoslav crisis are found in Kosovo, where there is a merciless Serbian police and military oppression even today, in spite of the democratic changes, and where the cruelest ethnic cleansing is in progress. He said Albania does all possible for a political solution. Also, he is convinced the international public opinion should do more to end fighting and prevent its spread to Kosovo.

Albania has proposed concrete measures, he said, to send international forces to Kosovo soon to normalize life there.

The Albanian foreign minister did not deny that preventive diplomacy has already yielded lasting results, however, this is a lengthy process that requires considerable patience.

Serreqi said he never before found such understanding and cooperation readiness during his international talks as in Hungary. The reason for this is, in his view, that Hungarians living in Vojvodina and Albanians living in Kosovo are both victims of Milosevic's aggressive policy.

Serreqi thanked Hungary their assistance in the international forums so far, and said the Hungarian foreign minister had promised him he would draw the attention of his Western negotiating partners to the Albanian problems.

Jeszzenszky had stressed the similarities in the situation of Kosovo and Vojvodina which need to be considered during the comprehensive settlement of the Yugoslav conflict.

The foreign ministers also agreed that much needs to be done for the world to become better acquainted with the actual situation.

'Historic' Relations Praised

AU2802153493 Tirana ATA in English 0913 GMT
28 Feb 93

[Text] Tirana, February 28 (ATA)—On February 26, official negotiations were held at the Hungarian Ministry for Foreign Affairs between the delegations of the two Foreign Ministries, led by Alfred Serreqi and Geza Jeszenszky.

Mr. Jeszenszky promised that Hungary will take advantage of its status at the Security Council, the European Community, the European Council, the CSCE Secretariat and other international political, economic and financial organizations to help Albania integrate into these organizations and profit from the numerous economic possibilities they provide.

He fully agreed with the foreign policy pursued by the democratic government of Albania to bring the country out of many years of complete isolation and integrate it into Europe, following the experience of Western democratic countries.

Mr. Serreqi appreciated the traditional and historic relations between the two countries and the precious anticommunist merit of the Hungarian people which reached the climax with the 1956 revolution. Since then Hungary inspired and led the democratic processes in East Europe. In this context it is necessary for us to familiarize ourselves with the Hungarian experience. Then Mr. Serreqi briefed on the run of events in Albania and the difficulties it is facing at this period of transition.

The two ministers concentrated on the situation in the region and the crisis in former Yugoslavia in particular. In this regard the two ministers upheld the same views.

The negotiations between the working groups concentrated on issues of bilateral relations. They agreed to institutionalize the contacts, to settle the interministerial problems as well as many issues and problems of economic bilateral cooperation.

The delegation of the Foreign Ministry led by Alfred Serreqi met with Giorgi Szabad [as received], speaker of the Hungarian parliament. Mr. Szabad underlined the need of intensifying the relations between the parliaments of the two countries. He expressed his readiness to help the Albanian parliament with their legislative and juridical base and information from the European Council and Parliament.

Mr. Serreqi suggested the intensification of contacts between the two parliaments and asked Hungary to help Albania settle its national cause by means of European Parliament and Council. They exchanged views on defending the human and national rights of the Albanians and Hungarians in former Yugoslavia, according to the international norms and standards.

Hungarian President Arpad Goncz met with Mr. Serreqi and the Albanian delegation.

Mr. Serreqi conveyed to the Hungarian president the greetings of President Sali Berisha and on his behalf reiterated the invitation to visit Albania. The Hungarian president accepted the invitation of the Albanian president to visit Albania soon. Mr. Serreqi presented an overview of the development of the democratic reforms in Albania and the problems facing Albania during the transition period and expressed the readiness of the Albanian Government to develop an all sided economic cooperation with Hungary. He spoke particularly about the grave and crucial state of the Albanians in Kosova under the Serb national-communist domination and subordinated the need of putting Kosova under the control of UN peacekeeping forces.

The Hungarian president appreciated the historic and spiritual ties between our two peoples. He hailed the recent development of bilateral relations. He also said that the two countries must develop cooperation and contacts because they both suffer from crisis in former Yugoslavia and it is necessary to join our efforts with those of the European and world community for its solution.

Croatian Official Reveals Similar Views on FRY

LD2602232393 Budapest MTI in English 1921 GMT
26 Feb 93

[Text] Budapest, February 26 (MTI)—Croatia and Hungary hold similar views on the south Slav crisis, on settling the conflict in Bosnia, and on prolonging the UNPROFOR mandate, it turned out at talks held by Croat Deputy Foreign Minister Ivo Sanader on Friday [26 February].

Sanader visited Hungary at the invitation of Foreign Affairs State Secretary Andras Kelemen.

At the talks, the sides called for closer bilateral economic ties, particularly transport and services cooperation.

They agreed to cooperate in minority affairs, prepare an interstate agreement on minorities, and continue the work of a joint minority affairs committee.

The status of ethnic Croats in Hungary was felt to be good. They agreed that Croatia must take further steps to help ethnic Hungarians from Croatia forced to take refuge in Hungary.

Opposition Parties Conclude Agreement

AU2602111093 Budapest MTI in English 1932 GMT
24 Feb 93

[Text] Budapest, 24 Feb (MTI)—To further electoral success in 1994, Hungary's largest opposition party, the Alliance of Free Democrats (AFD), and the opposition Federation of Young Democrats (FYD), which at present figures high on popularity lists, signed an agreement in Budapest on Wednesday [24 February].

Under it, the two parties agreed to make electoral-political cooperation agreements only if there is notification to the other party. At the same time, they are ready to work together with forces, both left and right, which espouse the basic values of democracy.

The two opposition parties believe that the emergence of a liberal government from the second free elections in the spring of 1994 is indispensable to economic recovery, the well-being of citizens and the protection of basic freedoms.

To further this end, leading AFD and FYD officials will meet once a month to discuss the current political situation. In addition, the campaign chiefs will start negotiations to work out an electoral cooperation scheme.

The parties also agreed to set up a four-member goodwill committee to ensure smooth cooperation, and to harmonize positions beforehand on bills requiring a two-thirds majority vote for approval, and on other major draft laws.

AFD President Ivan Peto and FYD Parliamentary Group Leader Viktor Orban later told reporters that the agreement was for cooperation, and not for a common political strategy involving the giving up of an independent political profile and action.

They said the two parties want to convey the liberal center alternative to society more powerfully, because they believe that the present negative tendencies in domestic political life can only be countered through the cooperation of liberal forces and the liberal center.

Bank Chairman Views Economic Policy Issues

AU0103081093 Budapest NEPSZABADSAG in Hungarian 24 Feb 93 p 11

[Interview with Akos Peter Bod, chairman of the Hungarian National Bank, by Gabor Ferencz; place and date not given: "How Can the Japanese Dentists Be Convinced?—Interview With the Chairman of the Central Bank on Debts, Convertibility, and Devaluation"]

[Text] Akos Peter Bod has trust in the sober judgment of citizens. Therefore, he does not think that measures that have tough consequences but are necessary to consolidate the economy's have to be avoided, even before the elections. Today, citizens have a clear idea about the links between the state of the national economy and their own possibilities and, therefore, delaying decisions is not necessarily the way to increase popularity. We interviewed the chairman of the Hungarian National Bank [MNB] on current economic policy issues.

[Ferencz] The forint was devalued a few days ago. In a recent interview, you said that the new year in itself is not a reason to devalue the forint. Then what is the reason?

[Bod] Before devaluations, we always have to assess two factors. On one hand, we have to compare the domestic price increases with the price increases of our main trading partners. If our inflation is higher than inflation in Germany or the United States and nothing is done, then the forint becomes overvalued. This has to be corrected. When and to what extent this is done is connected to the other factor that reflects supply and demand. Hungary has a positive payments balance; more foreign currency is coming into the country than is going out. Therefore, at the moment, we have a bigger foreign currency supply than there is demand for them. This factor works against devaluation; in fact—the exporters will probably shiver now—it encourages revaluation. For entrepreneurs, the lack of forints is a harder limit than the lack of foreign currency.

Naturally, in addition to the professional and theoretical factors, we also have to consider daily factors. For example, a devaluation at the beginning of the year is harmful for a number of reasons. This is when companies formulate their price lists, and they happily include the devaluation in their prices.

[Ferencz] Laymen also seem to discover the results of the battle between various views—the interests of ministries, various economic policy philosophies—in the timing and extent of devaluations.

[Bod] The trade minister usually asks the MNB for a bigger devaluation....

[Ferencz] On the other hand, financing and politicians are worried about inflation.

[Bod] Yes. This is why the central bank has to be independent, to prevent the domination of ministerial interests. However, if you think that the representatives of ministries pressure me, then I have to disappoint you.

[Ferencz] We are facing elections, and Hungary has a tradition of measures being made before important political events that improve the general mood. These, of course, may also have financial consequences. Will you also be able to resist this?

[Bod] This is why we are paid. Anyway, it is not always obvious whether a measure will have positive or negative effects. Exporters would feel more comfortable if the forint were devalued. However, importers, and those who live from trade, would be happier if imports did not become more expensive. They have opposing interests. Entrepreneurs would welcome the reduction of interest rates, but they are not interested in increasing the amount of money in circulation, either. There are so many points of view that I do not see much difference in monetary politics before or during elections. What we actually have to consider is that uncertainty increases at times of political change, which influences our reserves policy.

I cannot even imagine what we could do to improve the public mood; perhaps having very high interest rates on

deposits and very low ones on borrowing, but this cannot be promised even in an election year.

[Ferencz] I could give you some ideas on improving the public mood! For example, by raising the foreign currency limit for the public.

[Bod] This is determined by the country's economic situation, regardless of the elections. The government has to make the decision on this, the MNB can only give advice. In my view, although journalists often ask about this issue, today this has less impact on the people's mood than other factors. Many people have foreign currency accounts, and the tourism services can also be bought for forints. In 1992, some 13 million people travelled abroad, and the number was the same when the foreign currency limit was only \$50. Regardless of all this, in my view, it would be logical to raise the limit, but do not ask me, to what level.

[Ferencz] I am not asking how much, I am asking when.

[Bod] The decision will be made before the beginning of the tourist season.

[Ferencz] Regarding the introduction of convertibility, you once said that its declaration was only a matter of time. When are we going to feel like doing it?

[Bod] After completing the foreign currency code, the limitations on the convertibility of running operations will cease to exist for entrepreneurs and economic units. Naturally, liberalization of capital operations is also part of full convertibility, which means that foreign capital can be freely brought into the country and domestic capital can freely be taken abroad. In this respect, I have always made very cautious statements. At the moment, Hungary is not threatened by a sudden influx of speculation capital or the outflow of forints. These processes run through determined channels and the MNB's authorization practice is the controlling valve on this. This valve can be opened wider, or can even be closed if necessary. It cannot completely be blocked off, though. Let me give you an example. If you have a foreign currency account, then you can export capital to the value of your account because no one will ask you whether you spend your 10,000 Austrian shillings on skiing or—although illegally—on buying shares.

The authorization is also the key issue of the debate on legal regulation. The government organs would like to see liberalization, or at least the laying down of the limits of the MNB's authorization function; what rules actually apply to this organization? To this we say that it would be very difficult to lay down the conditions of authorization in a law because they are also influenced by the momentary situation of the world economy, market conditions, and so on.

[Ferencz] Could the proposal on taxing foreign currency accounts re-emerge in connection with drafting the foreign currency code?

[Bod] No. Although this issue is not closed yet, it is a matter for the budget and the taxation laws rather than the foreign currency code. Parliament decides on taxes, but the viewpoints for the decision can constantly be changing.

[Ferencz] From time to time, radical suggestions are made on handling both the foreign and the domestic state debts: The idea of cancellation is brought up in the case of foreign debts and writing off the debts in the case of domestic ones.

[Bod] I am against both of these. Well-meaning politicians and sometimes even experts raise the idea whether the country could ask for easing the terms from foreign lenders. However, Hungary is not in such a position that it would not be able to fulfill its foreign obligations. Consequently, no one would offer any reductions to us. As a matter of fact, it was not governments that gave us the loans. The typical situation is that, for example, a Japanese dentist has a Hungarian bond. In addition, I want to convince a similar Japanese dentist every three months to buy more Hungarian bonds!

People might think that the domestic state debt is a number written in a chimney with soot which will disappear or it can be erased, but this is not the situation. Anyone who is the least bit familiar with accounting will understand that if I write off items from the creditors' side of the MNB's books, then something will also happen to the debit side. If no one is willing to give up their deposits, then the bank cannot give up its outlaid capital, either. I have the same view of the domestic state debt as of the foreign debt: The economy will have to recover from this illness.

[Ferencz] Finally, allow me to ask you a seemingly personal question. Commenting on the change of finance minister, [former finance minister] Peter Medgyessy warned that the international financial world is like a club: The members' trust in each other is of vital importance. Similar comments were also made when you were appointed chairman of the MNB.

[Bod] It is certainly true that personal relations between the decisionmakers have a significance, but this is more typical of the "club of the leaders of central banks." My first working day as a bank chairman was actually spent at a meeting of the leaders of central banks, and my experience was that the "new boy" was treated with well-meaning neutrality and was only judged later on the basis of his actions. The position of the finance minister is a political function and, therefore, fluctuations are higher there. In my view, a government reshuffle is not an unusual thing after two or three years. Through my own channels of information, this does not seem to have caused great excitement in the world.

Walesa Addresses National Defence Committee*LD2602153893 Warsaw PAP in English 1429 GMT 26 Feb 93*

[Text] Warsaw, Feb. 26—Opening a meeting of the National Defence Committee on Friday [26 February] President Lech Walesa assessed the current situation in Poland as "extremely difficult."

"I want to say more," Walesa said, "we are facing mortal danger. If we lose control we may fail to cope with the tasks and challenges that life brings to us. That is why I want a creative discussion (...) [as received] in order to be able to shoulder the responsibility."

The committee met to examine the amendments to the law on the common duty to defend the Republic of Poland, and to discuss plans to form the national guard.

President Lech Walesa, Prime Minister Hanna Suchocka, the Sejm and Senate speakers, key ministers and the head of the army general staff were among those present at the meeting.

Jaruzelski on Party Files, Kiszczak Trial*AU2602141593 Warsaw PAP in English 2129 GMT 25 Feb 93*

[Text] Warsaw, Feb. 25—Testifying on the destruction of communist party archives, Wojciech Jaruzelski, architect of the 1981 martial law in Poland and former communist party leader, said before the parliamentary committee for constitutional accountability today that whatever the verdict on him will be, he believes it is important that "transcripts from (communist) party Political Bureau meetings will not become a fuel for politically destructive actions."

Speaking about the illegal operation "Iron" (carried out by Polish intelligence in the West in 1970's to amass vast amounts of hard currencies and jewelry) Jaruzelski said that shortly before the operation, Polish intelligence had suffered serious losses when several important and well informed officers had deserted and the coding systems were lost.

Jaruzelski explained that he and his closest aide General Czeslaw Kiszczak decided to cover up Operation "Iron" to prevent even greater detriment to the special services. He assured that complete files of the operation are stored in the Interior Ministry archives.

Kiszczak, who is to testify before the committee too, declared his willingness to do so despite being seriously ill but the committee decided to appoint an expert doctor to establish whether Kiszczak is able to testify.

Apart from that, Kiszczak, together with 24 other defendants, will face a court in Katowice in a case against those who caused the death of nine miners during a riot police storm on the "Wujek" coal mine shortly after martial law had been imposed on December 13, 1981.

The indictment has been written on 86 pages plus 19 volumes of files and the number of prosecutor's witnesses is 248. All of them want to show up at the court. The trial is scheduled for March 10.

Polish, Russian Officials Discuss Katyn Massacre*AU2602100793 Warsaw PAP in English 1703 GMT 24 Feb 93*

[Text] Moscow, Feb 24—The progress of investigations into the Katyn massacre of Polish officers, conducted by the Russian Military Prosecutor's Office, was the main subject of discussions held here by Polish deputy prosecutor general Senator Stefan Sniezko.

Sniezko had meetings with Russian military prosecutors conducting the investigation, the Russian public prosecutor general, and the political adviser to President Boris Yeltsin, Sergey Stankevich. Despite Polish assistance, progress made so far has been slow. Sniezko conveyed the Polish position that the investigation should be completed by the end of this year.

One issue raised by Sniezko was that of putting on trial the only surviving perpetrator of the crime, Pyotr Soprunenko. In the spring of 1940 he served as the head of the NKVD [People's Commissariat of Internal Affairs] POW [prisoner of war] division and his signature can be found on the lists of Polish officers transferred from POW camps to the NKVD immediately before their mass executions.

The Russians declared they would examine the matter.

Prosecutor Urges Speedy Investigation*AU0103112893 Warsaw PAP in English 1310 GMT 26 Feb 93*

[Text] Warsaw, Feb. 26—Stefan Sniezko, Poland's deputy prosecutor general, today called for a speedy conclusion to the investigation by the Russian deputy prosecutors office into the circumstances of the mass murder of Polish officers at Katyn in 1940 by the Soviet secret police (NKVD).

In an interview for PAP on his return from consultations in Moscow, Sniezko noted that the Russian investigations have been in progress for two years now, and that the matter ought to be wrapped up as soon as possible.

"I told the Russian side that the investigation ought to be concluded before President Yeltsin visits Warsaw later this year. It is a stage in Polish-Soviet relations which needs to be closed."

He noted that documents released at the end of 1992 by the Russians revealed that, in addition to the 15,000 officers known to have been shot at Katyn, a further 7,000 hitherto undocumented executions were noted. "All the documents on the fate of the Polish officers

mention 21,857 individuals, and the case cannot be closed until information is uncovered on the additional cases," he said.

Snieszko added that his requests concerning investigation of these cases had been "noted and understood" by Russian prosecutor general Valentine Stepankov, Russian presidential adviser Sergey Stankevich, and the directorate of the Russian state archive.

"Prosecutor Stepankov assured me that he would he would take a close interest in this matter," he said.

Asked whether Pyotr Soprunenko, former head of the NKVD directorate for prisoners of war, and the last surviving signatory of documents from 1940 relating to the executions, should face trial, Snieszko stressed that his responsibility for the crime cannot be overlooked. "However, he is old, ill and infirm. We need to take account of his state of health."

He stressed that there was no conflict of interest between the Polish and Russian prosecution services over the case. "This is a matter for the Russian prosecutor alone, although the Polish prosecutors office is offering assistance." He added that the results of Polish investigations, particularly in relation to expert tests on last year's exhumations of corpses at Mednoye and Kharkov, had been passed to the Russian side.

Economic Minister on Problems With Russia

LD2602055593 Warsaw PAP in English 1938 GMT 25 Feb 93

[Text] Warsaw, Feb. 25—Minister for Foreign Economic Relations Andrzej Arendarski commenting on Polish-Russian economic contacts said on Thursday [25 February] that "there are several problems which pose a barrier for the development of our relations. We hope that we will be able to solve many of them with the new Russian Government."

Arendarski, coming out of a meeting with Russian Deputy Minister for Foreign Economic Relations Oleg Davidov, said they discussed plans to build a gas pipeline from Russia through Poland to Western Europe.

The two also discussed the scope of regional cooperation and the future Polish-Russian treaty on economic cooperation which is expected to be signed during Russian President Boris Yeltsin's visit to Poland, said Arendarski.

He added that Polish and Russian experts are drafting a protocol on Russian deliveries of oil and gas to Poland in 1993 to be signed during a meeting of a mixed Polish-Russian commission in Moscow in April.

Minister Davidov said that Russia's "main goal is the development of trade contacts. Our cooperation is in the interest of our countries. I hope that the economic situation in Russia will improve. We are interested in cooperating with Poland in all possible fields."

Polish-Russian trade talks will be continued on Friday.

Solidarity Leader on Pact With Government

PM2602102893 Paris LE FIGARO in French 23 Feb 93 supplement p ii

[Interview with Polish Solidarity Chairman Marian Krzaklewski by Jean-Louis Validire; place and date not given]

[Text] [Validire] You signed the "enterprise pact" with the government yesterday. How do you explain that fact that the negotiations lasted so long?

[Krzaklewski] Relations between Solidarity and the government have been characterized by the strikes that we have organized against the drop in real earnings. The national movement of stopping work for two hours, which we launched on 14 December was continued in Silesia by the general strike by miners and railmen which was not settled until 4 January. On 5 January, the government agreed to a wage increase for 1993 based on a new pay system. All this delayed the official signing of the pact as did the dramatic circumstances surrounding the vote on the budget in parliament.

[Validire] What are your main criticisms of this budget?

[Krzaklewski] We had imposed four preconditions for our parliamentary group voting in favor of it. First, the alignment of the increase in wages in the nonproductive sector with price increases. Second, the continuation of the allowance given to the poorest families to enable them to pay their rent which is an important measure because of the increase in energy prices. We also wanted the method of calculating taxation to be based on family rather than individual incomes. We were refused all of this and the government finally only accepted the fourth point, the reduction in VAT [value-added tax] on energy prices from 22 percent to 7 percent. That is why our national commission decided to vote against the adoption of the budget.

[Validire] So, how do you explain the fact that the Solidarity group virtually split in two, thus enabling the adoption of a budget which does not satisfy you?

[Krzaklewski] It is true that if all the Solidarity deputies had voted against, adoption would have failed by two votes. But, on the eve of the vote, Walesa said that he would dissolve parliament if the budget was not adopted. Our group, which comprises 26 deputies, is a temptation for the political parties which want to provoke a split and thus change the balance of forces in parliament. We play a key role, which is sometimes useful but which also presents many problems. The national commission is going to meet to draw up stricter rules to avoid loss of control, but taking care not to split the group.

[Validire] What do you expect in practical terms in the coming months from the signing of this pact?

[Krzaklewski] We expect a great deal from the establishment of a tripartite commission proposed by the pact to ensure that 50 percent of any increase in GNP is used, as stipulated, for salary increases and a general increase in consumption. This commission has the aim of making suggestions that will be presented to the government. In particular, it will supervise the allocation of the budget and avoid the present pitfalls of parliamentary debate. The presentation of the budget section by section currently enables the coalition of former Communists and the center right to get through maximalist and demagogic measures, which when added up, account for 30 percent of the budget deficit.

No Trade Union State

[Validire] Are you not afraid of permanent conflicts between this commission and the deputies jealous of their prerogatives?

[Krzaklewski] We are not threatening the country with a trade union state. But the trade union is now obliged to do the "work" instead of the government and ministers who often sit back and do nothing. Normally, the trade union should not concern itself with productivity but, in fact, it is we who are concerning ourselves with economic recovery. Our program aims to maintain the pressure for reform. Solidarity groups the people who think positively about developments to form an active group and create a fait accompli in the reforms. We only countenance realistic strikes, and we have refused to associate ourselves with those who wanted to increase salaries in an unrealistic way by their appeals. But if, for instance, the liberals who are now part of the coalition, did not respect the terms of the pact, we would be prepared to stage a general strike and we would win.

[Validire] In the framework of this pact, what are the laws on which you expect a vote most rapidly?

[Krzaklewski] We want the rapid adoption of the law on collective agreements and of the law making it possible to elect representative trade unions. The creation of the guarantee fund to ensure that enterprises that no longer have the means of paying wages can do so, is also urgent. In the economic sphere, the law to restructure the enterprises' debts to the banks cannot really wait. Nor can the law which is to regulate the privatization process. The trade union must have its say in this change and participate in the executive committee of the enterprises. The law must grant the workers 10 percent of the total value of the enterprises within the limit of 24 average monthly salaries and give them preferential access to other shares.

[Validire] Do you think that the budgetary constraints which the IMF and World Bank impose are compatible with the implementation of this pact?

[Krzaklewski] Yes, they are entirely acceptable. Maintaining the deficit at \$5 billion (in other words 5 percent of GNP) is particularly important because we have obtained in exchange the promise that part of the zloty

stabilization fund can be used to restructure the banking system. This will enable the banks to maintain fairly low interest rates for loans to the people. We have also drawn the IMF's attention to the problem of the enterprises' mutual debt, which it had neglected.

Finally, last week we obtained guarantees for the formation of a "state treasury," which would take responsibility for what we call the "unrequired capital" of enterprises that are being privatized.

Zhelev Urges Concrete Accords To Follow Treaty

LD2602195293 Warsaw PAP in English 1556 GMT 26 Feb 93

[Text] Warsaw, Feb. 26—Bulgarian President Zhelyu Zhelev, winding up his two-day visit to Poland on Friday [26 February] said that the Polish-Bulgarian treaty on friendly relations and cooperation, signed on Thursday, should be followed by concrete economic agreements.

Zhelev, addressing a press conference, agreed with President Walesa's opinion that the two countries are capable of restoring or even exceeding the level of turnover recorded in the late 1980s. Polish-Bulgarian turnover went down from some 1 billion dollars in 1989 to 70 million last year.

The main obstacle on the road leading to the signing of a key economic accord is Bulgaria's 500-million transfer rouble debt to Poland. Zhelev stressed that Bulgaria is ready to repay the debt as quickly as possible by exporting goods to Poland.

Commenting on the total collapse of trade contacts among former socialist states after the breakup of the Council for Mutual Economic Assistance (CEMA), the Bulgarian president said: "We have made a mistake by not being able to separate politics from economic affairs."

Zhelev told the press conference that the possibility of Poland's introducing the visa requirement for Bulgarian citizens has not been discussed during his visit.

"Poland is not interested in the introduction of visas for it would suffer most in a situation when both countries would introduce such requirement."

Speaking on European affairs, the Bulgarian president said that his country is in favour of Western intervention in the Yugoslav conflict but excluded the possibility of the participation of states neighbouring with the former Yugoslavia in any form of military action since "they have been involved in the history of past struggles in that region."

Government Signs No-Visa Agreement With Estonia

LD2602234493 Warsaw PAP in English 2117 GMT 26 Feb 92

[Text] Warsaw, Feb. 26—Estonian Deputy Prime Minister and Minister of Foreign Affairs Trivimi Velliste and Polish foreign minister signed an agreement on non-visa traffic between both countries in Warsaw on Friday [26 February].

Estonia is highly interested in the construction of "Via Baltica," an international route running from Europe to the Baltic republics. The route is expected to play a special role in future economic cooperation.

At a meeting with Velliste, President Lech Walesa stressed that the cooperation between Poland and the Baltic republics is necessary especially in the situation when the economic reforms in some other post-Soviet republics makes little progress.

Prime Minister Hanna Suchocka said after her meeting with the Estonian deputy prime minister that Polish-Estonian contacts are expected to intensify soon, especially because both countries are grappling with similar problems connected with the economic transition.

Both delegations agreed that a joint committee would be established to monitor mutual economic relations because the present trade totalling 13 million dollars was judged as unsatisfactory. Estonia is interested in buying Polish steel and ships.

Trivimi Velliste is the highest-ranking Estonian official ever visiting Poland.

Commission on Economic Ties Planned

LD2602212393 Warsaw PAP in English 1758 GMT 26 Feb 93

[Text] Warsaw, Feb. 26—Poland and Estonia decided to set up a joint commission to monitor bilateral economic cooperation, Polish Deputy Prime Minister Henryk Goryszewski said following Friday's [26 February] Polish-Estonian plenary talks cochaired by Goryszewski and visiting Estonian First Deputy Prime Minister Trivimi Velliste.

The sides agreed during the talks that the current level of turnover and mutual investments is unsatisfactory. "In bilateral trade, Estonian exports continue to be greater than her imports," stressed Velliste.

He added that an agreement on mutual protection of investments and avoidance of double taxation should be signed urgently to boost mutual economic cooperation.

Goryszewski said that during the talks, the Estonian side also expressed its interest in increasing its imports of the products of the Polish steel and shipbuilding industries.

Kaczynski Discusses Walesa Presidency

AU2602111993 Warsaw SZTANDAR MŁODYCH in Polish 18 Feb 93 p 7

[Interview with Jaroslaw Kaczynski, chairman of the Center Accord, by Piotr Golik; place and date not given: "The War of the Chubby Gnomes?"]

[Text] [Golik] Lech Walesa's election as president three years ago marked, in your words, "the completion of the Polish revolution," whereas now his removal is meant to complete it. Do you find that embarrassing?

[Kaczynski] I would be lying if I said that I find the situation comfortable, but comfort has never mattered to me, neither now or then, and it is the current situation, one that is damaging for the entire country, that makes action imperative.

[Golik] Three years ago you fought against "the monopoly of the left," indicating its exponents one after another. Your present adversaries are agents of the Polish People's Republic special services....

[Kaczynski] That is a gross oversimplification if not a misrepresentation of the purpose of our activities. We continually raise problem No. 1—the network of social and economic relations that was inherited from the past and has blocked the possibility of our country developing normally. That is stating the obvious. Our most inveterate critics, Lech Falandysz and Jan Litynski, do not try to take issue with that. While agreeing with our description of the actual situation, they nevertheless advise against attempting any kind of change. Their justification is the strength of the old networks and the high social cost, and they even talk of the possibility of a civil war erupting if attempts were made to whittle away part of what old nomenklatura possesses. However, I do not think that assuming an attitude of resignation is the appropriate way to pursue politics. Highlighting the question of the left's influence three years ago and now doing so in the case screening is a conscious choice on the part of our opponents, who are seeking a field more favorable to them for a conflict. As they are unable to take issue with substantive matters, they have attacked certain elements of our program. It is easy to see that this is being accompanied by frenzied propaganda, which I have already become accustomed to. I would just like to remind you that the price I paid in 1990 for raising the issue of differences within the "Solidarity" camp was to be termed "deranged," a "fascist," a "xenophobe," and so on.

[Golik] But you are not saint. Even your old colleagues cannot count on being shown any mercy when there is a political parting of the ways. Andrzej Urbanski and Jozef Orzel had to listen to farcical charges about depraving the readers of EXPRESS WIECZORNY....

[Kaczynski] In my mind, carrying advertisements for what are brothels masquerading as something else does not normally do much good for a newspaper that cares

about its reputation. Have you seen advertisements of that kind in GAZETA WYBORCZA? There is even more reason why they should not appear in a newspaper published by a foundation that is close to a Christian democrat party.

[Golik] To return to the subject of the current dispute, it is you and not your opponents who are highlighting the question of the president's past and that of his colleagues. Why concentrate on that?

[Kaczynski] There are several reasons. It is obvious that the role of the office of president is constantly expanding as a center of power, which in actual fact controls the Army, the police, the special services, the prosecutor's office, and the banks. At the same time, a crisis in the presidency is evident. That has not only been noticed by politicians, otherwise we would not have been able to organize a demonstration on such a scale.

[Golik] Are you afraid that the effect of the demonstration was the opposite of what was intended? It was attended by representatives of small, extra or antiparliamentary groups, while at the same time politicians, such as Ryszard Bugaj, who had been critical of the president until then came to his defense.

[Kaczynski] The participation of groups of troublemakers of marginal importance and had no bearing on the significance of the demonstration. As for the increased criticism that I have come under recently, I am still trying to solve the mystery of the motiveless animosity that is felt toward me by some politicians and journalists, and I include the leader of the Labor Union among them. Perhaps, as my deputy, Ludwik Dorn, suggests, the key is height. Apart from Bugaj, Jan Litynski criticizes me the fiercest. They are people who, like me, cut a rather poor figure. So, maybe it is essentially a kind of battle of the chubby gnomes? Of course, I am joking, but how else can one react to the Mr. Bugaj's obsessions?

[Golik] You criticize the Belvedere for amassing power. However, that process began in 1991, and as the head of the presidential chancellery at the time, you had nothing against it.

[Kaczynski] That is only the way things appeared in the columns of certain newspapers. There was no super government in the chancellery, and its influence was slight and continually being reduced. If power was being amassed, then that was what was being done by the president's cabinet, particularly by Mieczyslaw Wachowski and his subordinates.

Andrzej Kozakiewicz, who had a relatively low rank, would, for example, summon ministers responsible for economic affairs. I raised the issue in a conversation with Jan Krzysztof Bielecki, but his strong dependence on Walesa did not allow him to oppose that and to oppose the chancellery's practice of interfering in economic affairs in general, including contracts with foreign firms.

[Golik] In a word, that would confirm your diagnosis that Poland is becoming like some Latin American country. However, is that also confirmed by the fact that over the 18 months during which the Center Accord was present in the structures of government, one did not hear anything about the party's financial difficulties, and now it is bankrupt?

[Kaczynski] We had financial difficulties the whole time. The only difference was that during the election campaign, there was more money available, because of the loans that were taken out. We are surely the only party that can show where its money came from. On the other hand, as far as EXPRESS WIECZORNY is concerned, the paper was already allocated to us by the Mazowiecki government.

[Golik] To remain on the subject of the Latin American model, the Army and the church have a great role in it, interfering in political and economic life. What is the situation like in Poland?

[Kaczynski] I cannot imagine the Army pressuring politicians. However, it is too important an instrument of the state and a sensitive one at the same time for one not to show excessive caution.

[Golik] What about the church?

[Kaczynski] The church is withdrawing from politics. Its influence always was of a special kind, one evolved from our traditions and the events of the past decades, especially the 1980's.

[Golik] Are you afraid that your latest campaign is a kamikaze mission and that others will reap benefits from it, especially the Confederation for an Independent Poland and the Alliance of the Democratic Left?

[Kaczynski] No; after all, I am not proposing that parliamentary elections be brought forward, only presidential ones. No candidate from the groups that you mentioned stands a chance of winning a second round, in which one has to obtain 50 percent plus one vote. The fact that parliamentary elections based on a new electoral code would be very useful is another matter.

[Golik] In your camp, the name Jan Olszewski is the one that is mentioned most often regarding the future occupant of the Belvedere. You once called him the "greatest disappointment of your life." So, has it been worth swallowing your pride?

[Kaczynski] You have to ask the Movement for the Republic about that. I did not throw anyone out of the Center Accord. They left when they realized that they did not stand a chance of winning at the congress.

[Golik] However, the Movement for the Republic would be a beneficiary of your campaign, which it has not given its support to for the time being.

[Kaczynski] I think that it will only be possible for those who fight for success to enjoy it. I have been saying that

clearly to my potential allies. As far as our candidate is concerned, other names have also been mentioned. However, even if others reap benefits, it is worth fighting for change. Actually, any of the possible candidates for the Belvedere is better than Walesa.

[Golik] But not Jaroslaw Kaczynski. How does he affect your personal ambitions?

[Kaczynski] I have been "knocked about" a great deal in all the conflicts that I have been involved until now. My opponents have created an image of me that makes it difficult to expect my candidacy to unite a large political camp. As for my ambitions, I have no desire whatsoever to occupy a state office. I feel fine as head of the party, and I know that in having that function, I can do a great deal for Poland.

Peasant Party Deputy on Walesa-Kaczynski Conflict

PM2602114693 Lodz GLOS PORANNY in Polish 18 Feb 93 pp 1, 3

[Interview with Sejm Deputy Roman Jagielinski of the Polish Peasant Party (PSL) by correspondent Henryk Sroczyński; place, date not given]

[Text] [Sroczyński] What prompted you and your colleagues to lodge an appeal with the Sejm Presidium and all parliamentary floor groups, requesting that they launch an investigation into the current conflict between Jaroslaw Kaczynski and President Lech Walesa?

[Jagielinski] It was because we have a very strange and worrying situation in our political life at the moment. You can produce an accusation against a person without actually producing any proof to substantiate your charges. This should definitely be changed. It is not the accused who should be required to produce proof of his innocence; on the contrary, the accuser should try to prove that his charge is well documented. The past year and indeed even the first months of this year have already seen a number of such unfortunate cases. As concerns the president himself, a major proportion of the public is almost certainly convinced that Kaczynski's allegations are true.

[Sroczyński] How can a commission clear this matter up?

[Jagielinski] I believe that it could investigate all documentary materials concerning the president and formulate its own conclusions as objectively as possible.

[Sroczyński] Supreme Court Chairman Adam Strzembosz has already refused to investigate the president's case and justified his position by claiming that the court would have to appoint special experts, commission specialist reports, and question a great many witnesses.

[Jagielinski] Mr. Strzembosz is partly right. However, a commission appointed by the Sejm and comprising

several experts would have a much better chance of investigating the whole affair in sufficient depth.

[Sroczyński] It is also said that the president should be subjected to the process of security vetting just like everyone else, and at the same level. After all, we are all equal before the law...

[Jagielinski] I believe that Lech Walesa was indeed as equal before the law as everyone else—until he became president. In my opinion, anyone who holds a post of any importance in the state administration should be entitled to a privileged position. Obviously, this applies to the president more than anyone else. He must command exceptional authority in order to be able to gather the nation around himself. However, in the light of the constant attacks directed against Lech Walesa it is very difficult to talk about such an ideal integration between the president and the public.

[Sroczyński] The roots of such disputes go back quite deep in Polish political tradition, do they not?

[Jagielinski] I believe that the present affair has a precedent of a kind in Poland's political life in the twenties. The recent "march on the Belweder" demonstration resembles very much the events of 1926, when rebel officers removed President Wojciechowski and Premier Wincenty Witos from office, taking advantage of Jozef Pilsudski's authority with the military. That event did not pass without bloodshed. It is fortunate that today's developments have not yet reached that stage. I believe that, given the considerable degree of public discontent, such protest marches can easily be manipulated and used for unscrupulous ends. We can never be sure that a Molotov cocktail will not explode, or that a shot will not be fired, leading to an outburst of panic in the crowd which could so easily develop into a situation whose consequences are quite dreadful to contemplate.

[Sroczyński] You objected to the fact that the demonstration march, in which Jaroslaw Kaczynski took part, started off from the foot of the Wincenty Witos [former PSL leader] memorial...

[Jagielinski] Indeed we did. The base of the memorial bears the inscription: "That Poland May Last Forever." I do not think that the permanence of our state is seriously threatened yet, but nevertheless the damaging nature of the kind of actions which Kaczynski promotes should not be ignored or underestimated. I believe that, as leader of a major political party that is represented in parliament, Jaroslaw Kaczynski should not resort to bringing his antipresidential demonstrations out into the streets. He can actually say anything he wishes in the Sejm forum.

[Sroczyński] How do you view the chances of the right-wing political orientation in the next parliamentary election?

[Jagielinski] I believe that the right-wing orientation—to be more precise, the more rabid right-wing orientation—

could at the most win some 15 percent of votes. However, once it becomes fragmented, none of its separate factions will be capable of securing the necessary 5 percent of the votes and therefore they will not be entitled to be represented in the Sejm. Jan Olszewski recognized this situation early enough and moved to the sidelines. The particular right-wing orientation to which I am referring (represented by Kaczynski, Macierewicz [former interior minister], Parys [former defense minister], Szeremietew [former head of Polish Radio and TV], and Olszewski [former prime minister]) will compete for the larger number of votes with the Confederation for an Independent Poland [KPN]. There is not much scope for securing a win in that particular field, however.

Vilnius Organization's Ethnic Theory Criticized

PM0103100193 Katowice TRYBUNA SLASKA in Polish 22 Feb 93 p 3

[Article by correspondent Marek A. Koprowski: "We, the Lithuanian Viches"]

[Text] Vilnius—The theory that the inhabitants of the "Wilenszczyzna" region [eastern area of Lithuanian territories within prewar Polish Republic] are neither Poles nor Slavs is by no means the only such doctrine manufactured by Lithuanian nationalists. The fascist-inclined "Vilnija" (Wilenszczyzna) Society, headed by Kazimieras Garszava, has promoted similar theories for quite a long time now. Among other things, they promote the notion of a separate ethnic group of the so-called "Viches", that is, local people whose surnames end in "-vich."

The objective of this theory is to persuade the inhabitants of the Wilenszczyzna region that, despite the fact that their native language, which is in everyday use, is Polish with some Belarusian admixture, they are native Lithuanians. In order to convince them of this more fully, the Vilnija organization launched a special periodical addressed to the "viches" and entitled "NASZ UPIAKUNIAC" [Our Patron]. One of the first issues of this dubious rag carries the following revelations: [following paragraph in dialect resembling a cross between Polish and Belarusian]

"We Lithuanian 'viches,' descended from small Lithuanian gentry whose own native language—the 'Vichian' language—evolved under the influences of the Kingdom of Poland and the Polish language, declare that we are Lithuanians and do not wish to be ranked as belonging to any other national groups."

Of course, Mr. Garszava's concept of the existence of a separate "vich" ethnic group is not an original idea. The notion is very obviously lifted from the repository of the infamous "Goralenvolk" theories invented by the Nazis. It was adjusted in a broad sweep to fit the Lithuanian requirements by W. Martinkenas in his book "Vilnius and the People of the Vilnius Region." Among other things, he voices the following claim in this publication:

"Apart from other national groups resident in Vilnius and its surrounding area, we must distinguish the so-called 'locals.' These people are mostly unaware of their national and ethnic identity and in most circumstances cannot correctly state their true national status. There are also others, who, while insisting all too keenly on their 'national identity,' ignore their true ethnic origin and claim obstinately that they are Polish. The latter are distinguished by their marked hatred for other nationalities, especially Lithuanians. They claim that they are genuine ethnic Poles, regardless of the fact that their language is full of bastardized forms and that its very style is alien to the Polish language."

Naturally, the above theories have not passed unnoticed. Among other things, they resulted in a spate of demonstrations whose participants carried placards and banners proclaiming the following slogans: "For Our Government's Attention! Lithuanians from Vilnija Are Still Forced to Attend Russian and Polish Schools!" "Lithuanians Want to Live in Their Own Country!" "Where Do We Live? In Vilnius Rayon? In Vilnius Gubernia? Or in Vilnius Voivodship?"

A direct consequence of this campaign was the launching of East Lithuania Television and the establishment of a vast number of Lithuanian schools in Wilenszczyzna. The recent defeat of the Sayudis movement which took the Vilnija organization under its patronage and the end to the "gubernian" [Lithuanian] administrative rule in the territories inhabited by Poles allow us to view the activities of the Vilnija organization without undue alarm, but we must not become complacent and underestimate its potential. It is an organization which needs an enemy to justify its operations.

Environment Aide on Financing of Ecology Projects

PM0103093093 Katowice TRYBUNA SLASKA in Polish 22 Feb 93 p 4

[Interview with Bernard Blaszczyk, deputy minister of environmental protection, natural resources, and forestry, by correspondent "GAW"; place, date not given]

[Text] [TRYBUNA SLASKA] How did the year 1993 start for Polish ecology?

[Blaszczyk] The programs of environmental protection, protection of the atmosphere, management of water resources, and forest protection are being implemented according to plan. The only difficulty which hinders their progress is the lack of funds. Consequently, the extent of the realization of all our programs will depend on our budget resources. In 1992, Katowice Voivodship paid about 490 billion zloty [Z] into the National Environment Protection Fund [NFOS], and received some 2300 billion more from the same fund. Last year, only 26 percent of ecology-related fees and fines due to be paid by that voivodship were actually received, which means that the sum owed in arrears is quite considerable. The mines in the region constitute a particularly stubborn

group of debtors: Their arrears in fines for salinated water which they release into the environment amount to Z900 billion! These are huge sums and it is doubtful if they can actually be recovered in today's circumstances.

[TRYBUNA SLASKA] How much help do we receive from abroad? Recently we heard about the launch of the Ecofund initiative, which is supposed to concentrate financial resources obtained from reduction of Poland's foreign debts and channel them into ecological projects.

[Blaszczuk] The Ecofund was established several months ago, but to date the United States has been the only foreign partner who actually gave us some money to add to the current balance at our disposal within the fund. We are currently conducting negotiations with the French Government. They have initially suggested that our debt could be reduced and that 10 percent of the funds obtained in this manner could be applied to finance ecological programs. We are also in the course of negotiating similar projects with the Swiss and German governments. The FRG is our largest creditor, and successful negotiations with the FRG government could ultimately result in a very considerable progress in our environmental protection programs. It is also hoped that we will be able to secure similar agreements with Austria and the Scandinavian countries.

[TRYBUNA SLASKA] What, in your opinion, were your greatest successes and your worst setbacks in the past year?

[Blaszczuk] Among the successes we can surely count the modernization of the Kosciuszko steelworks. We estimate that by March this year the plant will be fully "ecological." Other successes are, for example, the installation of an air-operated filling system in the Andaluzja coal mine in Brzozowice, the completion of the installation of a coal cleaning system in four mines in the Jaworzno basin, the progress in the ecologically-oriented modernization in the Rybnik power-generating plant, and the modernization of the Laziska steelworks. As to the setbacks we have suffered, I believe that the sector

suffered a considerable defeat over the matter of restoration of high fines payable by industry for ecologically damaging activities and operations. Unfortunately, we could not successfully fight against the pressure of public opinion and various ecology-oriented organizations. Nevertheless, I regret that in the atmosphere of highly emotive debates around the subject we failed to consider the economic calculation of costs and profits. We certainly need money for ecological projects very urgently, but on the other hand we must not exact these at the cost of strangling our industry by demanding that it pay excessively high fines.

[TRYBUNA SLASKA] How large is the budget at the disposal of the environmental protection ministry this year?

[Blaszczuk] Altogether, it amounts to some Z3 trillion—that is, about 30 percent more than last year. The sector's requirements are so enormous that we needed twice as much, but we got what we got and we will not multiply it by wishful thinking. As it happens, we are in a relatively privileged situation, anyway, because we have access to the NFOS fund, which is an extrabudgetary financing source, and this money can be used to assist ecological projects which would otherwise founder in the generally unfortunate financial situation. This year in Katowice Voivodship we intend to continue financing new coal-cleaning systems in mines and give financial assistance to a number of steelworks, including Labedy and Laziska. We would like to introduce in our region a pilot scheme for the disposal of hospital waste. There is a strong chance that the investor in this scheme will receive a loan from the NFOS, but this will ultimately depend on the state of NFOS financial resources. I should like to stress that the sums paid into the NFOS are all plowed back into the region. It is true that in some cases this takes the form of loans, but considering that these are subject to a two-year deferment period and low interest rates (allowing for inflation), we can say that the finance for environmental projects is granted at virtually no cost at all to the investor.

Ukrainian Ambassador Discusses FRY Embargo*AU0103081493 Bucharest TINERETUL LIBER in Romanian 19 Feb 93 pp 1, 3*

[Interview With Leontiy Ivanovich Sandulyak, Ukraine's ambassador extraordinary and plenipotentiary to Romania, by Viorel Patrichi; place and date not given: "Ukraine Has No Territorial Claims Against Its Neighbors"]

[Text] [Patrichi] Ambassador, the Serbs are a Slavic people with whom the Romanians have traditionally had friendly relations. However, recent events are forcing Romania to move away from its neighbor. What are your comments on that situation from the Ukrainian perspective?

[Sandulyak] I find it strange that right at the beginning of the interview, Ukraine's ambassador has to talk about Romanian-Yugoslav relations. But if you prefer to begin our dialogue by discussing the "hot spot" in our area, I can tell you that the interethnic war in Yugoslavia concerns world public opinion and especially neighboring countries. Mankind has already found proper means to stop such wars. It is quite important that the measures taken by the international community should not be based on sympathy or antipathy toward various nations. The fact that Romanians applying the UN resolutions against Yugoslavia should not be interpreted as moving away from its old and good neighbor, but rather as a fact incumbent from Romania's international commitments.

As far as bilateral relations are concerned, I hope that the planned meeting of the two countries' presidents, Dobrica Cosic and Ion Iliescu, will make ties between Romania and the Yugoslav Federation take a turn toward understanding and traditional good neighborliness.

[Patrichi] Ukraine has been admonished by international fora for having breached the embargo against Yugoslavia. Were Ukrainian officials informed about the destination of the oil loaded [onto FRY barges] in the port of Reni?

[Sandulyak] Ukraine is strictly performing its duty toward the United Nations, as a member of the international community. The Ukrainian Government is taking and will take every necessary step for the unconditional implementation of the UN Security Council resolutions placing sanctions on Yugoslavia. I can assert with full responsibility that not even one gram of Ukrainian oil has been transported to Serbia on the Danube.

Moreover, I would like to emphasize that the examination by the UN Security Council of the alleged breach of the Yugoslav embargo has demonstrated that Ukraine has nothing to do with the current difficult situation on the Danube...

However, our state is not responsible for the fact that Russian, Bulgarian, Turkish, Cypriot, and Greek companies transport oil for Yugoslavia via the Danube. The FRY barges have been loaded by oil tankers in the Danube. According to international agreements, the Danube is an international zone that does not belong to any particular country. The barges were loaded in the international waters of the Danube. The oil products in question were meant for Austria, the former Czechoslovakia, Croatia, and Bosnia. Those countries are not under UN embargo. All accusations alleging that Ukraine has violated the embargo on Yugoslavia are groundless. During the recent consultations between Romania and Ukraine in Odessa, a joint stance was elaborated concerning that issue. The official stands of Romania and Ukraine coincide. Consultations with respect to the observance of the sanctions imposed on Yugoslavia are to continue on 18 February in Bucharest at the three-party level, among the delegations of Romania, Ukraine, and Bulgaria.

[Patrichi] There have been allegations in the press that certain vessels destined for Serbia have been boarded by Cossacks. Would you comment on that information?

[Sandulyak] If such information were published, it has not been confirmed by trustworthy sources...

In spite of the fact that the border separating Russia and Ukraine is half symbolic, Ukrainian bodies are doing their utmost to prevent armed foreigners from crossing our territory. We are doing everything we can to prevent foreign groupings from transiting our territory on their way to other countries.

[Patrichi] Russia has expressed its disapproval of the possibility of the involvement of NATO forces in Bosnia. What is Ukraine's opinion concerning that "final decision."

[Sandulyak] We support the peaceful solution of the Yugoslav conflict, which is why I do not believe that the involvement of other forces—be they NATO's or other military alliance's—in that trilateral conflict could result in reestablishing peace and silence in the area. This is especially true since the international community has not been able to agree upon any such mechanism. It seems to me that we have to continue fully implementing the measures that have already been established by the United Nations.

[Patrichi] Ukraine, Romania's most important neighbor, is a state that is currently forming and continuously asserting itself on the international scene, on which Romania intends to become more involved. Despite the fact that Romania is a small country, Ukraine ought to establish good relations with it, ties that should be free of prejudice and bad memories. How would you assess current Ukrainian-Romanian relations?

[Sandulyak] Ukraine regards developing its relations with its neighbors, including Romania, as a priority, because it is very useful to maintain good relations with

one's neighbors, first of all from the economic point of view. Both Ukraine and Romania are in the postcommunist era. We have many common problems and in order to be able to solve them we need joint efforts and help. Romanian-Ukrainian relations may be considered good. There have been summit meetings. Romania has been visited by a parliamentary delegation of the supreme Rada (parliament—editor's note) in Kiev, headed by its chairman, Ivan Plyushch, and by a delegation headed by Foreign Minister Anatoliy Zlenko. Ukraine has been visited by a Romanian delegation led by State Secretary Constantin Ene. More recently, delegations of the consular departments of the two foreign ministries held talks in Bucharest. I would also like to mention the consultative talks held in Odessa. Our countries have signed a consular agreement; an economic, technical, and scientific cooperation accord; a cooperation accord in culture, science, and education; and an accord on the cooperation of the Ministries of Interior of our countries. A group of accords between various ministries is currently being completed. I would like to mention that there is good will on both sides with respect to the development of mutual ties. However, I think that our relations could be more efficient, especially in the fields of economic, cultural, technical, and scientific cooperation. There are no hurdles in the evolution of those relations. State-owned and privately-owned companies ought to display more initiative, but that can happen only after the establishment of an appropriate juridical basis, that is after Romania and Ukraine sign a bilateral treaty guaranteeing the stability and mutual character of our relations.

[Patrichi] What is Ukraine's position with respect to the Ribbentrop-Molotov Pact?

[Sandulyak] Ukraine, like all the other countries that have emerged on the territory of the former USSR, is not responsible for the unlawful acts of the Stalinist era. The Ribbentrop-Molotov pact ceased to be juridically effective the moment Germany attacked the Soviet Union. The main thing is that the current Romanian-Ukrainian border is not a consequence of the Ribbentrop-Molotov Pact. The juridical basis of Northern Bukovine's joining Ukraine is the result of the decision passed on 3 November 1918 by Vecea (Ukrainian people's assembly—editor's note). Ukraine's current borders were acknowledged by the 1946 Paris Peace Conference and by the 1947 peace treaty signed with Romania. That postwar peaceful settlement has been confirmed by the Helsinki Final Act and by the CSCE documents. Concerning Bessarabia [currently the Republic of Moldova], the 1940 Molotov-Ribbentrop Pact stipulated that it should be given back to the Soviet Union because formerly it was one of the territories ruled by the Russian empire. The problem was solved by the setting up of the Republic of Moldova—acknowledged among the first countries by Romania as an independent state—with which Ukraine has already signed a treaty of good neighborliness, friendship, and cooperation. The whole world recognizes Moldova as a sovereign, independent state.

News Briefing Discusses Reform, Danube Blockage

AU2502222293 Bucharest ROMPRES in English 1856 GMT 25 Feb 93

[Text] Bucharest, ROMPRES 25/2/1993—"Cabinet Vacaroiu's governing programme is, if regarded as a strategy, a well balanced, coherent document, that deserves consideration," Calin Anastasiu, MP [member of parliament], said at the weekly news conference given by the Civic Alliance Party (PAC) Thursday, 25 February.

Although PAC had taken no public stance to his programme, Mr. Atanasiu said, the PAC delegation cautioned President Ion Iliescu at the talks a PAC delegation had with him the day before, that "on paper the programme is well set, but it may very well fail to translate into fact on account of internal opposition."

About the meeting with the President of Romania, PAC leader Nicolae Manolescu said it was "a routine one, for consultation purposes," and informed that the PAC delegation had suggested the president to accept such talks in an institutionalised framework enabling the parties to meet with the president whenever it was necessary, because "we do not want such interviews to become matter-of-fact and satisfy publicity purposes." Mr. Manolescu also said he told the president that Romania had to go on with the reform to the end and that he should not count for ever on the support of the forces allied with the Democratic National Salvation Front (FDSN) as "no responsible politics can be made on the strength of an emotional state of populist measures." PAC also approached the matter of the blockage of the Danube's navigable channel. PAC senator Emil Tocaci demanded that "any hostile gesture against Romania should stop."

Ambassadors Briefed on Cosic Visit, Danube Crisis

AU2602193293 Bucharest ROMPRES in English 1638 GMT 26 Feb 93

[Text] Bucharest, ROMPRES 26/2/1993—"If the Yugoslav authorities do not take urgent action to lift the blockade of the Iron Gates II lock, Romania will apply for support to the UN Security Council to settle this new development," stated Romanian Minister of State and Foreign Minister Teodor Melescanu Friday, February 26, during a meeting with the ambassadors of the EEC countries to Bucharest.

Speaking about the problems tackled by Yugoslav president Dobrica Cosic during his recent visit to Bucharest, Melescanu considered it a political sign the Yugoslav authorities wished to give in order to show their readiness to participate in the New York peace negotiations on the settlement of the conflict in former Yugoslavia.

To that effect the desire was put forward of the rump Yugoslav leadership to cooperate in finding a political

solution to the situation in Bosnia-Herzegovina as well as in other areas of former Yugoslavia.

Pointing out that during the Romanian-Yugoslav talks special attention had been given to the strict observance of the UN embargo on Danube navigation, the Romanian minister underscored the fact that Romania would keep up endeavors to meet its obligations in that respect.

Iliescu Asks Milosevic To Help End Danube Blockade

AU2602191293 Bucharest Radio Romania Network in Romanian 1800 GMT 26 Feb 93

[From poor reception]

[Text] A few minutes ago we received the following statement from the presidential press office:

With respect to the blockage of the Danube by Serbian barges, the Presidency announces the following: The situation on the Danube was discussed during the recent meeting of Presidents Ion Iliescu and Dobrica Cosic [on 25 February in Bucharest]. During those talks the Romanian side explained that such actions would inevitably lead to the further aggravation of the current tension and to its further complication, especially now that political solutions are being sought [to the Yugoslav crisis].

President Iliescu has asked his guest to explain that point of view to all parties involved in the blockage of the Danube, an act which cannot solve anything at all. On the contrary, it creates the risk of expanding the conflict and deepens the concern of all countries interested in normal shipping circumstances on the Danube.

The Romanian side proposes that a transit commission should be set up in conjunction with the Yugoslav side to monitor the cargoes of the vessels sailing on the Danube and to prevent the emergence of tense moments such as the current one.

This evening President Iliescu held a telephone conversation with Serbian President Slobodan Milosevic, whom he asked to intervene in this new and undesirable incident which may lead to even more serious deterioration of the situation. The Serbian side expressed its understanding and willingness to take steps for the settlement of the situation, the presidential press statement concludes.

Yugoslav Barges Still Blocking Danube Shipping

AU2602183293 Bucharest ROMPRES in English 1804 GMT 26 Feb 93

[Text] Bucharest, ROMPRES 26/2/1993—Sources of the Drobeta Turnu Severin port authority inform that on the afternoon of February 26, on kilometer 856 the Danube was still blocked by the group of 12 Yugoslav barges.

During the same day's morning Yugoslav pusher boat Velebit coupled with the 12 barges. When the Ostrovul

Mare port authority summoned the captain to unblock the channel, he refused to move without orders from Belgrade. At 1330 [1130 GMT] pusher boat Velebit withdrew in the port of Prahovo on the Yugoslav bank.

According to the quoted source, communication with the [Yugoslav] Prahovo shipping agency has been resumed in a new attempt to unblock traffic on the river. The contact commission also included a representative of the Austrian DDSG shipping agency, who has ships in the area. The answer of the Yugoslav river authorities was again negative.

It must be noted that upstream and downstream from the critical point on kilometer 856 more than ten convoys sailing under several flags are stuck and requesting urgent passage.

Ministry Acknowledges UN Statement on Danube Blockage

AU2702145693 Bucharest ROMPRES in English 1412 GMT 27 Feb 93

[Text] Bucharest, ROMPRES 27/2/1993—The Ministry of Foreign Affairs of Romania has got to know with interest the February 26, 1993 statement of the Security Council whereby the Federal Republic of Yugoslavia is requested to immediately remove the Danube blockage, and the retaliation steps taken by it against the states enforcing the sanctions resulting from the Security Council resolutions are condemned again. This statement confirms the correctness of Romania's stand and actions on this matter, reads a release made public by the Foreign Ministry spokesman.

The release mentions the steady efforts being made these last few days by Romania to induce the resumption of normal shipping on the Danube, the political-military demarches to induce the Yugoslav authorities to work for the settlement of the situation including the Romanian-Yugoslav summit talks of February 25, the telephone communication on February 26 evening between Serbian President Slobodan Milosevic, and President Ion Iliescu, the Romanian foreign minister's interviews with the ambassadors of the EC countries.

Yugoslav Tugboats Continue To Block Danube Traffic

AU2702145393 Bucharest ROMPRES in English 1414 GMT 27 Feb 93

[Text] Bucharest, ROMPRES 27/2/1993—No change has been reported on Friday [26 February] night and Saturday morning on the Danube. The navigable channel of the river keeps being blocked at kilometer 856 by 12 Yugoslav barges, say official sources of the Romanian Drobeta-Turnu Severin Port.

It is the fifth day since the Yugoslav party maintains the blockage in front of Izvoarele locality, Mehedinti County (Romanian bank).

It is maintained although the Bihac ship, tugging six empty barges, was allowed through the lock on Friday night, upstream the river. It had been anchored in the zone of the Iron Gates 2 hydroelectric power plant since January 30.

Informed sources in the zone announced that at least 12 trains of ships sailing under various flags awaited upstream and downstream kilometer 856 to pass through the lock on February 27 at noon.

Yugoslav Authorities Take No Steps To Open Danube Traffic

AU2702211293 Bucharest Radio Romania Network in Romanian 2000 GMT 27 Feb 93

[Text] Navigation on the Danube River continues to be closed. Our correspondent Cornel Sorescu has reported that ships sailing on the Danube River today continued to arrive at the area of Iron Gate II hydropower station, but they were forced to stop because of the blockade formed by 12 Yugoslav tugboats at kilometer 856 near Izvoarele.

Currently, eight convoys under Hungarian, Bulgarian, Romanian, and Yugoslav flags are stopped downstream from the hydropower plant and six ships that belong to Ukraine, Slovakia, and Yugoslavia are stopped upstream from the hydropower plant.

Yugoslav authorities have not taken any measures to reopen navigation in spite of all Romanian demarches.

Yugoslav Barges Continue To Block Danube Traffic

AU2802191493 Bucharest Radio Romania Network in Romanian 1800 GMT 28 Feb 93

[Text] In connection with the situation on the Danube River, our correspondent Ion Marinescu learned from Mr. Aurel Novac, secretary of state in the Ministry of Transport, that a new development has occurred. Around 1630-1700, the Serbian tugboat Velevit sailed up to the barrage made up of 12 barges that is blocking navigation on the Danube and towed away a few barges to facilitate the passage of the Bulgarian tanker (Kanterval). After this operation, the same Serbian tugboat remade the barrage consisting of 12 barges. Therefore, the Danube continues to be closed to river traffic both upstream and downstream.

The Romanian authorities still hope that the Yugoslav authorities will realize the need to lift the blockade on the Danube so that navigation can go back to normal.

Danube Blockade Continues; Situation Examined

AU0103105493 Bucharest Radio Romania Network in Romanian 0500 GMT 1 Mar 93

[Excerpts] This morning our correspondent Corneliu Sorescu sent us the following report:

[Begin Sorescu recording] After a night during which no traffic was possible on the Danube in the area of the Iron Gates II waterway, today is the seventh consecutive day of the blocking of the river at kilometer 856 by 12 Yugoslav barges.

I would like to mention the fact that several convoys continued to arrive here over the past few days, which makes the opening of the channel an even more pressing matter. [passage omitted] The area is jammed by various convoys waiting to continue their journey. Eight such convoys are stationed just downstream and other six just upstream from the Iron Gates sluices. Many other convoys are also waiting further up and down the Danube.

I would like to add that the Romanian authorities' requests that the Danube should be cleared have not been solved by the river authorities of the Yugoslav port of Prahovo, who are still blocking traffic by maintaining the blockade on the Danube. [end Sorescu recording]

Last night the Serbian Republic's Transport Minister Zarko Katic, and the director general of the Yugoslav River Shipping Company, Slobodan Struga, went to the Yugoslav port of Prahovo to personally examine the situation on the Danube and how to reopen traffic on the Danube.

According to a statement made by Katic to the Romanian Embassy in Belgrade, they held talks with representatives of the [Yugoslav] Skippers' Union. Today they will meet with officials representing the Skippers' Central Union in Belgrade.

Katic also said that yesterday a Bulgarian vessel's passage was accepted because its cargo consisted of food products. The [Yugoslav skippers'] demand is that the Yugoslav convoys should be permitted to pass through the Iron Gates II sluice.

Economic Cooperation Agreement Signed With India

AU2502223893 Bucharest ROMPRES in English 1210 GMT 25 Feb 93

[Text] Bucharest, ROMPRES 25/2/1993—Constantin Teculescu, Romanian minister of commerce, and Pranab Mukherji, minister of commerce of India, signed in New Delhi a commercial and economic cooperation agreement between Romania's Government and the Government of the Republic of India.

The agreement mainly covers the mutual granting of the most favored nation status, bilateral economic exchanges conducted in free currency as of April 1993, the possibility that the economic agents in the two countries apply also other forms of commerce recognized in the international market, the ways of liquidating the clearing agreement between the two countries in force by March 31, 1993.

Roman Reviews 'Open, Instructive' Talks in Britain*AU2602084693 Bucharest AZI in Romanian 23 Feb 93 p 3*

[Part one of interview with Petre Roman, president of the National Salvation Front, by Octavian Stireanu; place and date not given: "The Reason Was To Get To Know the British Political Life"]

[Excerpts] [Stireanu] Mr. Petre Roman, we would like you to tell us a few colorful details about your recent political tour of France, England, Spain, and Luxembourg.

[Roman] My tour began in France, where I was invited to appear on the television's Channel 5 Europe. That program was also broadcast in our country. [passage omitted] Another event I attended in Paris was a meeting at an outstanding literary society called "Cercle Montherlant," in connection with my recent book. [passage omitted] Of course, at that meeting, we also discussed certain other more mundane problems, such as investments in Romania, trade with Romania, and tourism. [passage omitted] Nevertheless, the central purpose of my tour was the visit to Great Britain, at the invitation of the British Government; consequently, throughout the visit I was accompanied by a Foreign Office official.

[Stireanu] In what capacity were you invited: as party chairman, as former prime minister, as the chairman of a parliamentary commission, or was it just your name?

[Roman] Probably the name played a part in it, too. But the invitation first referred to my political title, then my parliamentary one.

[Stireanu] Did the invitation have a certain specific goal?

[Roman] The schedule clearly shows that the purpose of that visit was to get in touch with as many segments of British politics as possible, both at the governmental and parliamentary level. As far as I am concerned, I believe that the contacts and talks I held there were open, factual, instructive, and meaningful not only for me, but for my partners. In this respect, I would like to point out a two-hour long discussion-debate conducted with a group of high Defense Ministry officials, after my meeting with the British defense secretary of state. We had a long talk about the functioning and budgeting of the Defense Ministry. In Great Britain—of course, after a longer evolution—the Defense Ministry consists of both civilians and military men, with the civilians ensuring the efficient administration of the defense budget.

[Stireanu] The military is spending, not "administering" the budget!

[Roman] The military comprises those who ensure the office's defense characteristic, that is the truly military aspect. There is always a balance between these trends—

the strictly military one and the good administration of the budget. [passage omitted] I was given a copy of the British Army's organization, for the sake of information. I intend to discuss it, and the meaning of this structuring, at least with my colleagues from the Defense Commission. As a matter of fact, the document deals with more than just the army's organization; it deals with both its organization and functioning. [passage omitted] As a matter of fact, this is a public document. It is not only at the disposal of the British Parliament, but of the public, too. You can buy it at any kiosk! [passage omitted] This is a very interesting thing about the meaning of openness! [passage omitted]

Yugoslav Foreign Minister Discusses Relations*AU2502223793 Bucharest ROMPRES in English 1214 GMT 25 Feb 93*

[Text] Bucharest, ROMPRES 25/2/1993—"The relations between Yugoslavia, and accordingly Serbia, and Romania are traditionally good and friendly" Vladimir Jovanovic, foreign minister of the Serb Republic, told the CURIERUL NATIONAL newspaper. "Yugoslavia, accordingly Serbia, and Romania were never at war one against another and this represents a unique record not only for the Balkans but for the entire Europe."

Minister Jovanovic said that "the unfair sanctions imposed on Yugoslavia by the UN Security Council affects Romania too, as a neighboring country, and represents a factor brought from outside, disturbing the development of good neighborhood relations and cooperation between our countries."

"It is very important that these sanctions, for the removal of which all the necessary conditions required have been created, not to affect the friendship between our countries or even render them uncertain. ... We expect the neighboring countries, Romania in the first place, to moot on international arena the question of removal of these sanctions which impede the peace efforts and do not match the evident positive efforts of Yugoslavia, and accordingly of Serbia, to support the Geneva peace process," the minister added.

The Serb minister hailed the declaration recently endorsed in Bucharest by Romania's President Ion Iliescu and Greece's Foreign Minister Papakonstantinou, declaration which stated the necessity that the Balkan states might not get involved militarily against Yugoslavia or let themselves involved in an armed conflict. On this background, Jovanovic said that the Romanian policy was "principled, wise and positive."

Foreign Trade Official Views Accord With EC*AU2502143893 Bucharest ADEVARUL in Romanian 17 Feb 93 pp 1, 8*

[Interview with State Secretary Liviu Paunescu, head of the Foreign Trade Department, by Gheorghe Cercelescu;

place and date not given: "We Have Foreign Markets, But We Lack Commodities!")]

[Text] [Cercescu] Mr. Minister, you are a member of the team which negotiated Romania's association accord with the EC, recently signed in Brussels. How would you assess the significance of that event?

[Paunescu] The negotiation of the accord was an element of Romania's trade policy within the process of economic reform. The fact that it was signed demonstrates that the 12 states belonging to EC acknowledge that Romania has irrevocably started out on the way to democracy and market economy.

[Cercescu] The accord allegedly establishes a new kind of bilateral relationship. Would you detail that issue?

[Paunescu] Until the East European revolutions in 1989, the 12 had no such relations with countries outside EC. As soon as the accord becomes effective, Romania passes from the category of third country to that of the countries treated preferentially by EC. By the way, the association accord stipulates a transition period as well, during which concessions made for the liberalization of the two parties' markets are to be asymmetrical. This means that the 12 EC states will open their markets to Romanian products sooner than we will open ours to their products. The benefits will be seen immediately because besides the general accord we also signed an interim accord concerning the anticipated implementation of the economic and trading cooperation clauses, which will probably become effective as of May.

[Cercescu] The development level of the two sides—Romania and the EC—is separated by a considerable gap. After the transition period, which cannot last more than 10 years, there will be an open competition between them. In other words, those who will be unable to comply with European standards will be doomed to disappear. To what extent does the accord take these facts into consideration, and how does it aim to support Romania in its efforts made to be able to stand competition?

[Paunescu] The principle of asymmetric opening of the markets stipulated by the accord, as I mentioned, was specially introduced to surmount that gap. The fact that Romania will open its market to the EC states' products toward the end of the transition period, gives us a break to adapt ourselves to new competition circumstances. Furthermore, the accord stipulates other "safety valves," too. For instance, Romania is allowed to resort to restrictions whenever it finds that imports perturb its economy. In that way we will be able to protect both certain Romanian-made products and our checking accounts.

Despite the fact that the accord does not allow for industry to be subsidized, Romania is entitled to assist its industry in that way to facilitate economic restructuring and the setting up of new industrial branches. To the same purpose, Romania will be granted technical

assistance and will have access to the European Investment Bank. The EC is actually interested in lending us support for the process of economic restructuring, because the economies of the two sides ought to be complementary, not rivaling each other. This is also demonstrated by the fact that the accord chapter dedicated to economic cooperation with Romania is more generous than the similar chapters of the accords signed with Poland, Hungary, and former Czechoslovakia. We have been granted more precisely because we have more to catch up with.

[Cercescu] After the interim accord becomes effective, our products will be allowed to freely penetrate the EC market, without facing any obstacles posed by duty taxes. However, some of our products—unfortunately having a major importance for Romanian economy—will be facing other kinds of restrictions.

[Paunescu] That is right. The products of such branches as the textile or the iron and steel industries will be able to enter those markets without duty taxes, although there are certain quantitative limits. However, those limits will be increased by 20 percent each year over the first five years of the transition period. All our exports exceeding those limits will be taxed, but those taxes will be decreased by a 15-percent yearly rate over the next five years, so that by the end of that period they will be completely eliminated. Thus, even in the case of the so-called "sensitive" products, the situation will be gradually defused by means of tariff and nontariff methods: by textile exports this will be completed within six years, while by iron and steel products in four years. Unfortunately, we can merely offer a few products whereby we could complain that export limits are too low, such as cement, furniture, and chemical fertilizers. On the other hand, there are other products by which we cannot even export 10 percent of what is allowed.

Furthermore, we can avoid exceeding those limits in another way: The limits are quantitative; they do not refer to the value of exports. For instance, from the same tonne of raw material we could obtain, by restructuring, much more valuable high quality steel products.

[Cercescu] Still, there are products whereby tariff and nontariff-type barriers will not be reduced completely. For instance, if we will never be allowed to export a sufficiently large amount of agricultural products, is it going to negatively influence that very important branch of our national economy?

[Paunescu] In my opinion, we have no reason to worry. Concerning agriculture, the accord distinguishes three categories of products: basic agricultural products, processed products, and fish products. Actually, the EC policy is most restrictive with respect to basic products. However, in agriculture we have a very large maneuvering space. No one compels us, and it would not be profitable, either, to export agricultural raw materials. If we processed them at home, we could reduce our imports of processed agricultural products, which currently is a

heavy burden for our trade balance. In this way we could offer jobs to those who have lost them; we could produce more value and obtain higher profits. At the same time, taking advantage of the higher export limits established for processed agricultural products, we could avoid exceeding the ones limiting raw materials. However, all this is theory because currently we are unable to meet even the needs of our own market with respect to basic agricultural products, let alone the demand for processed products.

[Cercelescu] Do you not think that the accord ought to be made public, so that companies could use the possibilities offered by it?

[Paunescu] You are perfectly right. We have already decided to start a campaign over the coming period to make the accord as widely known as possible, to offer as much information as possible to the ministries and various companies. Relying on the cooperation of the experts who have attended the negotiations, we will organize courses during which we will explain and clear up all details. We also intend to publish a handbook containing details about the gradual diminishing of the export duties. Meanwhile we are preparing the accord to be ratified by Romania's Parliament, and we will keep in touch with the EC Commission and the EC countries.

Controversy Around Government Program Viewed

AU2502194793 Bucharest COTIDIANUL in Romanian
22 Feb 93 p 1

[Article by Florin Gabriel Marculescu: "Mr. Negritoiu Defies Parliament"]

[Excerpts] It is said that, in its initial form, the Vacaroiu government program numbered no more and no less than 5,000 pages. [passage omitted] Finally this amazing work of Romanian bureaucracy was cut to the size of a normal work, which Misu Negritoiu [president of the Council for Coordination, Strategy, and Economic Reform], was able to present in about 20 minutes by eliminating any kind of concrete details, that is figures, estimates, and forecasts. At the end of an abstract, very technical, and sometimes even cryptic description (for example planning is termed "orientational development strategy"), television viewers learned what is essential: There will be no improvement in the standard of living in 1993. On the contrary, we would say. What seems worth mentioning is the fact that "the transition program" has taken over nothing of the phantasmagoric promises made by the presidency and the Democratic National Salvation Front. Facts are taken into account and—in general terms—we are advised to continue the reform process at a cautious pace that is detrimental to our economy, while the constraints of the past are obvious at every turn. Maybe the limitations of this program are dictated by the lack of the funds needed to implement it. The government has no doubts: "In supporting the

reform process we continue to count on foreign economic assistance." Without foreign credits and without foreign investors, these attractive projects cannot be implemented.

Aside from any commentary, it is much more important to know: In whose name did Mr. Negritoiu speak? Did he speak in the name of the government or in that of the council he is heading? In an evasive way, he resorted to ambiguous statements saying that the program he presented reflected, quote, the concept of the authors and of those who endorsed it, unquote. Does the latter include the prime minister? Possibly. However, Mr. Vacaroiu's nonparticipation in the most significant government action so far is strange, difficult to explain, and liable to all sorts of interpretations. Could this absence mean a government "malfunction?" Then, in very clear terms, Mr. Negritoiu emphasized that the program was already in force and that its endorsement by parliament was unnecessary! Is this a personal opinion, or does it concur with Prime Minister Vacaroiu's opinion? If yes, then the blunt refusal by the executive power to submit the government program to the legislative forum for endorsement would be nothing but a blatant violation of the constitutional order and would prove great disregard for parliament, something that—under normal circumstances—should prompt a censure motion [motiune de cenzura]. Mr. Negritoiu's extremely serious statement comprises the seeds of a possible war between the executive and legislative powers. However, I want to repeat, we do not know whether or to what extent this statement involves the government. In the current situation, it is necessary for Prime Minister Vacaroiu to clarify his position without any delay.

Procedural Issues Viewed at Black Sea Conference

AU2602135393 Bucharest ROMPRES in English 1139
GMT 26 Feb 93

[Text] Bucharest, ROMPRES 26/2/1993—Adrian Nastase, speaker of the Chamber of Deputies of the Romanian Parliament, told ROMPRES about the Istanbul parliamentary meeting that "the meeting of speakers of parliaments in the Black Sea zone of economic cooperation was first held at an expert level and on February 25 and 26 the meeting proper of the parliament speakers takes place.

"They discussed the rules of procedure of the Black Sea Parliamentary Assembly, a rather complex document, with numerous implications.

"A number of amendments proposed by Romania's delegation were accepted, including as regarded the voting procedure at the level of the standing committee of the chief delegates, that should be made by consensus.

"One of the questions on which the Romanian delegation's stand differed from the other delegations was the way of voting in the plenum of the Parliamentary Assembly, a body that will comprise 70 parliamentarians of the 11 countries."

Adrian Nastase also said that "the variance was in relation with the way of voting in the plenum. Romania sustained that the vote should be individual, based on the mandate the parliamentarians were given by those who elected them in their respective country.

"Another point was that the vote should be expressed in a unitary way by every delegation. It concerns especially the difficult situations in some of the former Soviet republics and the fear that very acute political issues might be transferred from a local plane to this Parliamentary Assembly. In the end Romania's proposal was accepted that the single voting formula, by delegation, should be applied only for a transitory period of two years and then be reconsidered.

"As regards the future headquarters of the International Secretariat of the Parliamentary Assembly, Romania's offer to host it was appreciated, but the opinion prevailed that the secretariat of the parliamentary organization should not be separated by the secretariat of the economic organization, so both should be headquartered in Istanbul."

Cosic on Ethnic Cleansing, Vance-Owen Plan

AU2602163893 Bucharest ADEVARUL in Romanian
24 Feb 93 pp 1, 8

[Interview with Dobrica Cosic, president of the Federal Republic of Yugoslavia, by chief editor Dumitru Tinu in Belgrade; date not given: "Romania Can Play the Role of a Mediator in the Peace Efforts in Yugoslavia"]

[Text] Before departing for Bucharest, where he is expected to arrive 25 February, Dobrica Cosic, president of the Federal Republic of Yugoslavia (Serbia and Montenegro) expressed the desire to address the Romanian people through a widely-read and greatly influential newspaper. The following dialogue took place in Belgrade at the home of President Cosic, who was recovering from a virus affliction that made him delay his visit to Romania by almost one week.

On the steps of a stately villa, I was welcomed by the well-known writer and current president, Dobrica Cosic.

[Tinu] Mr. President, how do you feel?

[Cosic] I feel better now. Today I did not have any fever.

[Tinu] What brings you to Bucharest?

[Cosic] The Balkan cosava. Cosava is the storm that plagues our area, but I have the impression that it is starting to blow throughout the Balkan peninsula because Mr. Iliescu is interested, like myself, in restoring peace and quiet in our region. I hope that in the shelter represented by Bucharest we will be able to jointly discuss how to oppose the storm that is threatening the Balkans.

[Tinu] On my way to Belgrade, I came across lines and lines of autos bearing the emblem of the UN. How do the Serbs view the blue berets?

[Cosic] We have accepted the blue berets as a peace mission, and we believe that their presence in the Republic of Krajina is absolutely necessary. I personally do not think that their presence is necessary in Macedonia or any other part of Yugoslavia, something that has actually been announced recently.

[Tinu] The Security Council has adopted a resolution on establishing an international court, similar to the Nuremberg one. Do you believe that those who initiated this resolution took account of all the crimes committed during this tragic war, or only those committed by the Serbs?

[Cosic] In principle, we have nothing against the prosecution of those who commit crimes against human rights. By this token, we do not oppose prosecution of those people in our country who are guilty of such crimes. All the more so since numerous crimes have been committed in Yugoslavia during this civil and religious war. As a matter of fact, the federal government has set up a commission to examine war crimes. The list drawn up by Mr. Eagleburger or other gentlemen of some superpowers [din lumea mare], however, will arouse feelings of hatred against certain figures in our country, and we cannot accept this. We will draw up our own list of war criminals and we will proceed in accordance with the principles of international law and our Constitution.

[Tinu] A great deal has been written and shocking pictures have been shown about the prison camps in Serbia. Is this true? What about the story about the mass rapes allegedly committed by the Serbs?

[Cosic] There are no camps whatsoever in Serbia and the Federal Republic of Yugoslavia. This is the most disgusting defamation against the Serbian people. I invited Mr. Wiesel and various international commissions to check these allegations, but so far no one has been able to prove the opposite. There are prison camps in Bosnia-Herzegovina where a civil war is underway. There, all three conflicting sides have prison camps. I have to specify that the Serbs are trying to free as many prisoners as possible from these camps under the aegis of the Red Cross, something that cannot be said about the Croat or Muslim sides.

As for the allegation about rapes, it is part of the same campaign of psychological genocide against the Serb people. Such an invention follows the pattern of the Nazi system of encouraging hatred. Only a sick mind could have invented such a thing and only a sick society can accept such accusations as facts.

[Tinu] Nonetheless, Mr. President, I would like to ask you: Do you think that the accusation of promoting a policy of ethnic cleansing has any ground?

[Cosic] Yes, it does. Ethnic cleansing began in Kosovo, then in Croatia, and is continuing in Bosnia-Herzegovina within a civil and obviously religious war. It goes without saying that this cleansing is practiced by all three sides. I want to specify that this total cleansing has not been practiced on the territory of the Serb Republic in Bosnia. Some 150,000 Muslims are living there. Life together is very difficult, and I think that under the current conditions there is no future for it. I have to add another terrifying thing. More than 350,000 Serbs have been driven from their homes in Croatia and there are only some 100,000 Serbs left there.

It is obvious that the Republic of Croatia is doing all it can in the direction of ethnic cleansing. It is absolutely incorrect to say that this is only practiced in Serbia.

[Tinut] Mr. President, what chances do you give the Clinton variant to the Vance-Owen peace plan?

[Cosic] I propose to begin the discussion with the Vance-Owen plan, which Clinton, after some hesitation, has accepted. If the Vance-Owen plan is accepted and if that Bosnian state is accepted, which we think cannot last, it may be taken as a starting point, provided that the map of the provinces is revised substantially. It is very difficult to accept them the way they are now, as they seriously affect the interests of the Serbian people in Bosnia-Herzegovina. However, the Federal Republic of Yugoslavia, as a country without any territorial claims, advises the Serbs in Bosnia-Herzegovina to accept this plan as something that can be corrected in the process of negotiations and seeking a just solution that will meet the interests of all sides concerned. Unfortunately, this plan and its maps clearly favor the Croat side. The Muslims, however, do not accept this plan because they want a united Bosnia under Muslim hegemony. This means that they want to found the first Islamic state in Europe. Our recommendation to the Serbs is to accept the Vance-Owen plan and to achieve peace as soon as possible.

[Tinut] How do you see President Clinton's specifications?

[Cosic] We greet the general trend introduced by Clinton, which consists of ruling out military intervention. This is a sound and positive goal, which we fully support. We do have a different opinion about certain aspects of his position such as, for instance, the air drop of humanitarian aid. We believe that sending aircraft to east Bosnia is a very risky exercise, and we fear the consequences of such an action.

[Tinut] Would a concerted effort by Washington and Moscow offer greater guarantees for Serbia?

[Cosic] I believe that greater involvement by the United Nations is much more effective. It is understandable that a Russian-American peace-generating alliance would be welcome. I would say not only between these two

powers, but also among the Balkan countries because intensification of this conflict may turn the entire Balkan region into a battlefield.

[Tinut] Is it true what certain television channels are reporting, namely that Russian Cossack forces are directly participating, side by side with the Serbs, in the fighting in Bosnia?

[Cosic] What I know is that, according to Croat sources, a few thousand mujahedin are participating in the fighting in Bosnia-Herzegovina. I do not know whether Cossacks are involved.

[Tinut] Mr. President, for the time being, the Security Council resolution provisions on the embargo imposed against Yugoslavia will be effective until a political solution is found. It is nothing new when I say that the death games played by the Serbian convoys on the Danube caused a great outpouring of emotion in Romania. Do you think that it is worth it to endanger relations between our countries by continuing this game? Surely, you will discuss this issue with Mr. Iliescu.

[Cosic] This is a very complex problem, and what has happened has shaken the Yugoslav people as well. Romania is our traditional—not to say perpetual—friend. We should not permit this friendship to be destroyed.

[Tinut] I suppose you have been informed that, at NATO headquarters in Brussels, Romania reaffirmed that it would by no means resort to force to implement the embargo.

[Cosic] I want to take this opportunity to express satisfaction with the statement made by Mr. Iliescu. Such a statement could have been made only by a true friend of Yugoslavia and a very wise statesman.

[Tinut] Nevertheless, what will happen next time on the Danube?

[Cosic] I hope that this will be one of the main subjects that I discuss with Mr. Iliescu and my aides will discuss it at their level. Namely, how do we preserve our friendship and protect it against the temptations created by the current international circumstances. We have to discuss what to do, so that the embargo, which is unprecedented in modern history, will affect us as little as possible and not cause so much damage, especially to the Romanian people.

[Tinut] The Balkan countries have become active in the past few weeks in their efforts aimed at seeking new political solutions to the Yugoslav crisis. Romania has a unique position in this area since its relations with all the former Yugoslav Republics have not been overshadowed by any litigation. Do you think that this would entitle it to play the role of mediator in all-out efforts to restore peace?

[Cosic] I think that this role of mediator is absolutely necessary and Romania is the country that deserves to

play this role. I think that during the talks in Bucharest we will identify ways and means so that Romania is able to contribute to the success of negotiations seeking the restoration of peace in this area.

[Tinu] Mr. President, we eagerly await your visit to Bucharest.

[Cosic] With sadness and regret, I have to confess that this is going to be my first visit to Romania. As a writer, I want to become acquainted with your country, whose literature and culture I am familiar with and respect just as I am familiar with and respect the goodness of the Romanian people. I am looking forward to the time when I will be just a writer again, so that I can come and discuss things with people get to know them personally. As a politician, I am glad to be able to serve the cause of our cooperation and friendship.

Tokes Accuses Romanians of 'Ethnic Cleansing'

AU2802205793 Bucharest Radio Romania Network in Romanian 2000 GMT 28 Feb 93

[Text] In the Current Events program of the Romanian Television, our correspondent to Budapest Dorin Suciu presented a report on the news conference held in Budapest by the visiting UDMR [Democratic Union of Hungarians in Romania] delegation there, including UDMR leaders Bela Marko, Laszlo Tokes, and Csaba Takacs. They reported on political aspects and the results of the visit to Budapest. Answering questions from journalists, they presented their views on their intention to have permanent and official contacts with what the UDMR leaders called the mother country, regarding self-management and autonomy in various spheres and consulting the representatives of the Hungarian minority in Romania on the draft treaty between Romania and Hungary.

Asked by our correspondent about a statement made during a news conference in Washington, according to which Romania allegedly continues the process of forced assimilation of the Hungarian minority, a process going so far as to take the ethnic cleansing forms similar to those occurring in Bosnia-Herzegovina, Mr. Laszlo Tokes said the following:

[Begin Tokes recording] I will give you an answer. As long as the negative processes of assimilation continue in Romania and the process, at least indirect, of determining the Hungarian population to leave the country—as scores of thousands of Hungarians have left the country, even after 1989, let alone the hundreds of thousands of Germans who have left the country, in the Romanian democracy—as long as these phenomena are not stopped and resolute steps are taken to prevent such processes, well, until then, one can say that an ethnic cleansing is in process, particularly by resorting to national intimidation through provocations like the pogrom in Tirgu Mures, which makes the people leave their native places. Therefore, as long as all this goes on, one can say that there is a national cleansing process in

progress, and it is in this spirit that I spoke in the United States at the news conference on this matter. [end recording]

Vacaroiu, Officials View Privatization Issues

AU2202222493 Bucharest ROMPRES in English 1842 GMT 25 Feb 93

[Text] Bucharest, ROMPRES 25/2/1993—Prime Minister Nicolae Vacaroiu had a first meeting Thursday, 25 February, with directors on the board of the State Property Fund Agency (FPS). FPS is a body recently established, staffed with specialists of various economic qualifications, recommended by the presidency, Senate, lower house and government, charged with the management of the nominal assets of the state-owned companies during the transition period to a free market economy, and with the direct actions, by procedures the FPS itself is to decide upon, of turning them private.

Premier Vacaroiu recommended great attention to a fair revaluation of the state assets, a type of activity marred by incompetence and carelessness, and to ensuring that 30 percent of the state assets are turned to the employees of the respective units, as well as to the necessity of nominating the value of the title deeds issued by the state, so that privatisation could gain speed in small and medium enterprises.

The talks revealed the great importance of the FPS not only in the process of worth appraisal of the state-owned capital, but also for indicating the fast and efficient ways to privatisation in the Romanian economy, end even for the improvement of the relevant legislation, for the purpose of speeding up privatisation.

Iliescu Receives PDAR Delegation

AU2602221293 Bucharest ROMPRES in English 1528 GMT 26 Feb 93

[Text] Bucharest, ROMPRES 26/2/1993—Friday, 26 February, President Iliescu received at Cotroceni Palace a delegation of the Democratic Agrarian Party of Romania (PDAR), headed by the party's president Victor Surdu.

The Agrarians welcome the initiative of proposing Bucharest as venue for an international peace conference for Yugoslavia with the participation of Yugoslav peoples' representatives and of neighbouring countries.

Voicing his party's assessment of the Vacaroiu cabinet's governing programme, he appreciated it as "very good and comprehensive," suggesting however "just a careful examination of some chapters, susceptible of improvement," and concluded that "a cabinet reshuffle is therefore out of question."

Consultations will continue with the Socialist Labour Party [PSM] delegation consisting of PSM President Ilie Verdet, Senators Adrian Paunescu and Gheorghe

Raboaca, lower house members Tudor Mohora, Mihail Paraluta and Mihai Lungu, and including Constantin Ciutacu and Nicolae Valcu.

Iliescu Receives PSM Delegation

AU2602222093 Bucharest ROMPRES in English 1628 GMT 26 Feb 93

[Text] Bucharest, ROMPRES 26/2/1993—Friday, 26 February, President Ion Iliescu of Romania, had, for the third day in a row, consultations with Romanian political parties. After the Democratic Agrarian Party of Romania (PDAR), the next delegation to have talks with President Iliescu was that of the Socialist Labour Party (PSM), headed by its leader, Ilie Verdet.

In a press statement, Mr. Verdet said the PSM delegation insisted on the need "to stop the degradation of the living standard." Their opinion about the reform was that "every measure that could determine the growth of the national income should be accelerated."

About government Vacaroiiu's programme, PSM leader Verdet said it had "some points in common with the president's views," but also "many to which everybody should give a great deal of thought. This government," he added, "was elected by Parliament and must carry on its mandate to the end," thus eliminating the possibility of a government reshuffle.

Tudor Attacks Vacaroiiu's Program, 'Devilish' UDMR

AU2602221893 Bucharest ROMPRES in English 1800 GMT 26 Feb 93

[Text] Bucharest, ROMPRES 26/2/1993—The [Vacaroiiu cabinet's] governing program is a "rightist, antipopular and antiworker program," Senator Corneliu Vadim Tudor, head of the Greater Romania Party (PRM), told the press at the conference given by his party Friday, 26 February. "Instead of reducing the social-economic crisis affecting Romania, the program will push the people into harsher poverty, it will keep inflation and unemployment growing."

Corneliu Vadim Tudor expressed his disappointment for the "veer" the Democratic National Salvation Front (FDSN) took from the political program campaigned during elections last autumn to the present one which "sacrifices the people's major interests on the altar of an entirely wrong reform, which is likely to foster extremely dangerous social turmoil." Tudor said that both at the meeting with President Ion Iliescu and at the recent talks with Premier Nicolae Vacaroiiu, PRM suggested ten major corrections to the government program meant to "spare the people from the devastations of a not only primitive and savage, but also antinational capitalism." Should their suggestions be ignored, "PRM will withdraw its parliamentary and logistic support for the present government and move that it be changed."

PRM leader reiterated the request his party addressed to Parliament and the General Attorney's Office to "immediately outlaw the Democratic Union of Hungarians in Romania [UDMR] and try by emergency procedures those ethnic Hungarians and nation-betraying Romanians who jeopardize the country's territorial integrity." To illustrate Tudor quoted the recent "illegal" establishment at Gheorghieni, in the heart of Romania, of a "Hungarian parliament," as well as the "Hungarian revanchism, lying in wait for the tiniest sparkle in the Yugoslav conflict which it could turn to its profit for accomplishing its devilish diversion against Romania."

Economic Police Forms Elite Anticorruption Units

AU250223693 Bucharest ROMPRES in English 1309 GMT 25 Feb 93

[Text] Bucharest, ROMPRES 25/2/1993—Specialized services were created within the Economic Police, to combat economic abuses and illicit activities. They will become in a short while real elite units to fight against corruption, said General Ioan Danescu, Romanian internal affairs minister, at a press conference.

Chief of Staff Discusses Military Doctrine

AU250224093 Bucharest ROMPRES in English 1115 GMT 25 Feb 93

[Text] Bucharest, ROMPRES 25/2/1993—"Romania is presently readjusting its military doctrine and its national security strategy according to the domestic and international circumstances," said Dumitru Cioflina, the Romanian chief of general staff, in an interview granted to the daily TINERETUL LIBER, reasserting the opinion of Romania's president, Ion Iliescu, presented last week in his address at NATO headquarters in Brussels. According to the opinion of the two Romanian politicians, the readjustment will focus, on the following principles: "the priority of the political act, on defense self-sufficiency and on army training."

"The basic concept of national security is a political option," said Dumitru Cioflina, adding that that concept "is much comprehensive than the military doctrine," which represents "the military segment of that basic concept." On the other hand, Mr. Cioflina drew attention on the fact that "one cannot elaborate a military doctrine since he lacks the basic concept regarding national security." That is why Mr. Cioflina invited to a strongly interdependent approach of the two concepts.

"In drawing the concept of national security one has to involve all political and state structures," is the opinion of the chief of general staff. He motivated the idea by the fact that "it has to exist a fundamental concept on national security within the political, diplomatic, economic, cultural, and life as well. It is precisely with these elements that the military component has to stay."

Informing on the stage of the process of elaboration of the national defense military doctrine, Dumitru Cioflina

stressed that "a variant of that doctrine has been submitted to the Supreme Council of National Defense for debate in September 1991, and was already adopted. Later it was presented at a seminar on issues of military doctrine held in October 1991." Presently, the Ministry of National Defense "is ready to advance a complete form of this military defense doctrine, to be submitted again for approval to the Supreme Council of National Defense and for its validation in parliament," said the Romanian chief of general staff.

Referring to the relationship between the National Ministry of Defense and NATO, Dumitru Cioflina informed that "there do exist structural relations, as well as bilateral ones, with almost all NATO-member countries. In 1992, some 500 joint activities were organized in Romania and in the respective countries between the Romanian military body and NATO. As for the relationship with NATO, Dumitru Cioflina considered it as "extremely good" and also informed on the organization in Romania of one of the two NATO seminars to be held during 1993.

Roman Warns Against Presence of Army in Dniester

AU0103082693 Bucharest AZI in Romanian 24 Feb 93
p 3

[Part two of interview with Petre Roman, president of the National Salvation Front, by Octavian Stireanu; place and date not given: "One Qualifies for the British Parliamentary Commissions by Contest"]

[Excerpts] [Stireanu] Apropos the British Army budget. They draft it for a period of two years. Nevertheless, a war may break out at any time, in the Falklands war, maybe another one in the Gulf...

[Roman] Normally, the defense policy should be conceived in such a way as to also include a preventive and riposte capacity "in case of." This is the essence of a defense policy. It should not suffer great modifications due to various events. [passage omitted]

[Stireanu] How do the British view Romania's geostrategic position?

[Roman] I had a meeting with Minister Douglas Hurd from the Foreign Office. He has visited Romania and knows our country. We had a clarifying discussion, including on Romania's position toward the Yugoslav issue. I reiterated the main theses and problems linked to Romania's position toward the Yugoslav conflict, on the one hand, and the tensions and conflicts in the Dniester region and the former Soviet Union, on the other. I presented the situation as it is, so that he would understand the European stake in this matter and realize why we cannot stay indifferent and why we keep appealing to the Western world and powers to understand what is happening here. It is obvious that we do not want to wake up one day and be confronted with an accomplished fact; namely, that the Dniester region has become a part of the Russian Republic, with Moldova as a kind of appendage. Obviously, we want to have relations of partnership with a democratic Russia, and we hope, like all of the Western countries, that this will happen. Nevertheless, for the time being, we note that the 14th Russian Army is still in Moldova and has acted as we all know it did, while the latest news is that it has no intention of withdrawing from the region. Since this matter was rather ignored by the media—we know that the media are the main stimulus and impetus for tackling a problem—the Western political and military structures have rather neglected this decision of the 14th Army, since they have not been alerted to its importance.

[Stireanu] You were mentioning a "selected committee" of the Parliament...

[Roman] [passage omitted] I had an interesting conversation at the defense committee, which is called the Selected Defense Committee. Why "selected"? Because the British Parliament has this singular and most interesting characteristic, namely, all committees—their equivalent in Romania would be the parliamentary commissions—are the outcome of a contest between parliamentarians. Therefore, the parliamentarians who are running for a position in a given committee must submit their "file" of competence in that particular sphere to a parliamentary commission that decides by vote which candidature is or is not accepted. [passage omitted] Therefore, the most competent people are selected, people who have given proof of their competence. I found this most interesting. [passage omitted]

Warring Sides Approve First Humanitarian Airdrop*LD2802110593 Belgrade TANJUG in English 1035 GMT 28 Feb 93*

[Text] Belgrade, February 28 (TANJUG)—Representatives of the three warring factions in Bosnia-Herzegovina—two Serbs, a Croat and a Moslem—have given approval for the first airdrop of food and medicine in this war-torn former Yugoslav republic.

News agencies said the four inspectors from Bosnia-Herzegovina on Saturday [27 February] inspected two of 96 containers with humanitarian aid, which are waiting to be parachuted from the U.S. air base Rhein-Main airport near Frankfurt in Germany.

A spokesman of the United Nations High Commissioner for Refugees (UNHCR), Connan Peisen, told reporters that the four inspectors, who have been flown in from Sarajevo on Saturday night, would remain in Frankfurt to inspect all the humanitarian aid intended for civilians in eastern Bosnia-Herzegovina.

Slobodan Mitrovic, a Serbian inspector, said everything was alright, adding Americans should not worry that Serbs would open fire at their planes during the airdrop.

U.S. military officials did not say when the parachuting operation in eastern Bosnia-Herzegovina would begin.

However, U.S. aircraft overflew the region on Saturday night and dropped one million leaflets with instructions how to act when the operation begins.

Airdrop Leaflets Miss Targets*LD2802151793 Belgrade TANJUG in English 1458 GMT 28 Feb 93*

[Text] Belgrade, Feb 28 (TANJUG)—The leaflets, which the U.S. transport planes dropped over eastern Bosnia on Sunday [28 February] night before beginning air drops of food and medicine, have missed numerous settlements, foreign news agencies said on Sunday.

Citing radio-amateurs' reports, the agencies said that the leaflets with instructions on aid to be air-dropped over war-torn Bosnia-Herzegovina, have not fallen on Gorazde, Zepa and Srebrenica, eastern Bosnian cities to which most of the aid will be parachuted.

Gorazde Mayor Hadzo Efendic told a Zagreb radio-amateur that a number of leaflets fell on no-man's-land some 15 km south of the town.

No leaflets were found in Zepa and Srebrenica.

I'm afraid the same could happen to crates with food and medicaments, news agencies quoted a Gorazde official as saying.

A fierce ethnic war has raged in Bosnia-Herzegovina for nearly 11 months now between the local Serbs, Croats and Muslims and most of the Bosnian population is famine-stricken.

The exact time of the air drops initiated by U.S. President Bill Clinton has not been disclosed but there are indications that the operation might begin this weekend.

No Aid Located Yet*AU0103145993 Paris AFP in English 1416 GMT 1 Mar 93*

[Report by Olivier Baube]

[Text] Sarajevo, March 1 (AFP)—Three U.S. Hercules C-130 transport planes dropped more than 21 tonnes of relief supplies onto a besieged Moslem enclave northeast of Sarajevo early Monday [1 March].

But by midday Monday, none of the nine containers of aid had been recovered on the ground, according to local officials in Sarajevo, citing amateur radio broadcasts.

U.S. officials in Frankfurt said the operation, in which the aircraft dropped their loads within minutes of each other, had gone well, and that there had been no enemy fire on the transport planes.

U.N. High Commissioner for Refugees officials in Geneva said the loads were destined for Cerska, a Moslem enclave northeast of Sarajevo which has been isolated and suffering from famine for several months.

The drops were the first of a U.S. operation to drop aid to isolated Moslem, Serb and Croat enclaves in eastern Bosnia, as a temporary measure because of difficulties faced by road convoys in the region.

UNHCR spokesman Ron Redmond said the inhabitants of Cerska, near the Serb border, were dying of starvation every day, and had suffered shelling for several weeks. He said UNHCR convoys had been unable to reach the enclave, which he said could still house 30,000 people, by road. Commenting on Monday's airdrop, he said: "It will be impossible for us to know what got through."

But by the end of the morning Monday, none of the relief supplies airdropped had been sighted, including in Cerska, according to ham radio operators in the besieged region.

Search patrols in the area had found none of the food or medical supplies parachuted Monday, according to Becir Heljic, an official of a group representing inhabitants of southeast Bosnia. Heljic said he had been in contact with residents of the beleaguered areas and reported his findings to Bosnian officials in Sarajevo. Calling the relief operation a failure, Heljic said future airdrops should take place during daylight and at a low altitude.

The Bosnian-Serb news agency SRNA, also citing radio amateur transmissions, also reported Monday that none of the aid containers dropped had been found.

Earlier, U.S. officials in Frankfurt said the operation went well, and that the planes had dropped their loads on target. "We released the load within 65 yards (metres) of where we wanted to," said Lieutenant Colonel Larry Radov. But, he said, "We are not able to receive information from the ground." The drops were monitored on radars by AWACs [airborne warning and control system] surveillance aircraft from the North Atlantic Treaty Organisation, which watched the packages to the ground.

In Belgrade, SRNA said Bosnian Serb army had monitored the planes going over, and said they had been flying at an altitude of approximately 3,000 meters (10,000 feet).

General Donald Loranger told a press conference in Frankfurt that the operation had gone "very well," and said the missions would continue with three to five aircraft taking part in each drop.

Each plane unloaded nine food crates weighing 704 kilograms (1,550 pounds) a piece plus one medical crate weighing 344 kilograms (760 pounds).

The flights had been expected soon after U.S. planes scattered a million leaflets on Saturday night warning forces in Bosnia not to shoot and to stay clear of the long-awaited supplies.

U.S. President Bill Clinton authorised the operation Thursday and emphasised that it would be "temporary." On Friday, the United States obtained support for the mission from its NATO allies.

Zagreb Radio: No Packages Found

LD0103134593 Zagreb Radio Croatia Network in English 1305 GMT 1 Mar 93

[Text] Radio amateurs in eastern Bosnia have reported that not one single package from the American humanitarian airdrops has been found.

According to (Heena), a radio amateur in Gorazde, a region which had expected the majority of the packages, said nothing, not a single package, got to us.

The situation is reported to be the same in Srebrenica, Cerska, and Zepa.

Ham Radios: No Aid Found

AU0103132993 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 1 Mar 93

[Text] Ham radio operators in the Muslim regions of eastern Bosnia, which was expecting humanitarian aid from U.S. aircraft, confirm that no aid has yet been found anywhere. Ham radio operator (?Edin) from Gorazde says he cannot confirm that food packages have landed anywhere in the vicinity of the town. The Americans should also add a cream that would alleviate neck cramps, since our necks ache from staring up at the sky, this radio operator said.

The packages with humanitarian aid have not been found in the regions of Srebrenica, Cerska, Zepa, and Konjevic Polje, ham radio operators who had contacted these Muslim towns have learned.

Srebrenica Reports No Aid

AU0103113493 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1100 GMT 1 Mar 93

[Text] Our Tuzla correspondent Enes Osmancevic early this morning established contact with Srebrenica radio amateurs and learned that no parcels from the humanitarian aid parachuted late last night have been found. It was quiet in Tuzla last night. The first day of March was the same.

[Begin Osmancic recording] According to duty officers, the Tuzla area is mainly quiet this morning, without major clashes. Last night was the same, even on the lines of defense. All chetnik attacks amounted only to provocations and were without any effect. There were no casualties among our fighters. The front line remains unchanged.

In contact with radio amateurs from Srebrenica this morning, we learned that by that time the citizens of Srebrenica had not found a single parcel with the humanitarian aid that was parachuted from U.S. transport planes last night. However, it should be said that there was not enough time to search for it, and that only the immediate vicinity was searched. [end recording]

Cerska, Kamenica Appeal for Aid

AU2602115493

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1100 GMT on 26 February carries in its regular 20-minute newscast two reports on the effects of hunger and cold in Kamenica and Cerska.

The Kamenica Press Center reports that "apart from the effects of heavy shelling, the suffering of the people from hunger and cold presents a horrifying sight. During the last three days, 13 civilians died from hunger and cold. We are informing the domestic and international public that about 3,000 civilians are without shelter in the surrounding mountains, persecuted by the bloody chetnik offensive."

The Cerska Press Center reports that "these are the worst days these people have had to live through since the war started. The criminals are trying at any cost to establish the corridor Pale-Han Pijesak-Kasaba-Zvornik before the final political agreement is reached. The local chetniks are bringing in their cohorts from Serbia, Montenegro, and Hercegovina. We beg you to come and visit the only place in Bosnia-Hercegovina that has not yet had any aid delivered." The report ends with: "These are the last greetings from this hell of despair and isolation."

Karadzic: Muslims Will Shoot at U.S. Planes

AU2602095793 Belgrade BORBA in Serbo-Croatian 25 Feb 93 p 6

[Unattributed interview with Radovan Karadzic, president of the self-proclaimed Serbian Republic; place and date not given: "I'll Go If Izetbegovic Goes"]

[Text] [BORBA] So after some hesitation, you have finally decided to go to America.

[Karadzic] Even without me our delegation with the assembly chairman and vice president of the republic would have been a high level one indeed. But we will not disrupt the formal negotiations with any trivialities, and that is why we have decided that, if Izetbegovic is there, so should we all.

[BORBA] Why the hesitation?

[Karadzic] To start with, we have a lot of work at home since a Muslim offensive is under way, in spite of their announced unilateral cease-fire. In our experience, their announcement of a cease-fire always leads to another offensive. Then we have a lot of work to do on the revival of our economy. The government has to tour the entire republic and to initiate mechanisms for the revitalization of the economy. Then, we have already been in a very humiliating position in New York before, which did not bother me in the least personally, since I felt I was visiting the United Nations rather than America. But I was there as a representative of the Serbs, so all the Serbs throughout the world were humiliated there. Then we were faced with an unprecedented media campaign and threats by Ustasha [Croatian]-Muslim groups. Those were the reasons we were hoping that the conference would return to Geneva, since New York is unfair and has become a very unpleasant place for political negotiations. But my family and I still love New York, having spent a year there once.

[BORBA] Was there any response to your protest against the restrictions on your movements in New York?

[Karadzic] I have heard that the U.S. Administration has now abolished those restrictions and the new limit is supposed to be 25 miles around UN headquarters, which is an improvement in any case.

[BORBA] There was also the possibility of you being "legally ill-treated" in New York. What did your lawyer advise you to do?

[Karadzic] I saw that in yesterday's NEW YORK TIMES, and my lawyer told me that Vance and Owen would get me immunity documents. It is a private charge brought against me by extremist groups that raised charges based on statements by three Muslim women about how they were allegedly raped on my orders. That charge does not even carry bail, but these are incredible stupidities that will be revealed for what they are, just as

it is clear now that a Muslim woman, allegedly raped by a Serb, gave birth to a black boy [crnce]. That is all propaganda.

[BORBA] There was some talks about an assassination?

[Karadzic] The Muslims have put a price on the heads of our leading people long ago. At the beginning of the war, my head was worth three million German marks, while Mladic's [Serb Republic army commander] was four million. That price must have gone up. The FBI must have received information that some groups are preparing an assassination, but I think that America, if it want to, can certainly protect us against any incident. Besides, we are taking with us our own special policemen so we do not have any fear of that sort.

[BORBA] Have you any new ideas to put forward at the conference?

[Karadzic] We have come to the conclusion that it would be best if the provinces included only two of the three ethnic groups. Any combination with equal numbers of all three ethnic groups would certainly lead to a coalition. After all, since the Second World War, a Muslim-Croatian coalition has ruled Bosnia-Herzegovina, which in turn led to a mass emigration of Serbs.

[BORBA] Humanitarian aid from the air. Fighter aircraft. Your comments?

[Karadzic] I do not think that there will be any fighter aircraft. I think it will be just another of those pointless little exercises. They will drop some kind of aid twice or three times, and the wind will blow all that over to the Serbian lines, and then they will give the whole thing up. As I have heard, they will not be escorted by fighter planes but the problem is that the Muslims will most certainly shoot at those planes. I can say publicly for BORBA—the Serbs will most certainly not shoot at these planes, and the Muslims will most certainly shoot at them. The Muslims would never miss such a chance to cause an incident and bring about international military intervention. If that happens, that is the end of the conference.

[BORBA] That is what Mr. Karadzic said at the end of the interview, asking, by the way—"Is BORBA improving?"

Serb Army Says Muslims Plan To Down U.S. Planes

LD2702224193 Belgrade TANJUG Domestic Service in Serbo-Croatian 2058 GMT 27 Feb 93

[Text] Belgrade, 27 Feb (TANJUG)—The main headquarters of the Serb republic [of Bosnia-Herzegovina] Army has received reliable information about a Muslim plan to carry out a secret operation under the name "Step by Step to the Intervention" simultaneously with the airdrop operation, the main headquarters of the Serb republic Army stated this evening. The author of the idea for this operation is Muslim ideologist Alija Izetbegovic

himself, and its main goal is to undermine the peace talks and cause a military intervention, the statement adds. It also gives the details.

"Two special sabotage-terrorist groups have been planned and trained for this operation, and they have already infiltrated into the territory of the Serb republic in the region of eastern Bosnia in order to down the planes taking part in the airdrop operation. After this action, Serbs will be blamed for the incident.

One group that has already infiltrated into border areas between the Serb republic and the Muslim-controlled territories has false UNPROFOR [UN Protection Force] identity cards. The group's leader is a certain "Tito," and among Muslims he is considered to be one of the best experts for partisan and sabotage operations.

The second group, commanded by a person codenamed "Samba", was infiltrated in the wider Srebrenica area early on the morning of 27 February 1993 from Dubrava Airport near Tuzla. This group's task is to take six launchers and "Strela 2M" missiles from the Zepa 6th Shock Brigade of the so-called Bosnia-Herzegovina Army in order to down planes using the corridors for humanitarian aid transport for eastern Bosnia.

The entire "Step by Step to the Intervention" operation is commanded by Colonel Fikret Muslimovic, chief of the so-called Bosnia-Herzegovina Army Military Security.

We have learned from the same source that the so-called Bosnia-Herzegovina Army and members of these groups have received details from Germany of the precise time when the humanitarian aid will be delivered, where the parcels will be dropped, and which air corridors will be used. Having in mind that the Serb republic's authorities and Army have not received any details, it is clear that this is a well-planned operation and a case of cooperation between Muslim extremists and their mentors and assistants from abroad. We are warning the domestic and world public of this," the statement says in conclusion.

Lukic Calls U.S. Intentions 'Honorable'

LD2802203193 Belgrade TANJUG in English 1853 GMT 28 Feb 93

[Text] Bajina Basta, Yugoslavia, Feb 28 (TANJUG)—Bosnian Serb Prime Minister Vladimir Lukic on Sunday [28 February] said the Bosnian Serb leadership was deeply convinced that the intentions of the U.S. Administration in parachuting supplies to eastern Bosnia were honourable.

"We have received assurances from the highest officials of the U.S. Armed Forces that this was truly only a humanitarian operation, and not anything else that many enemies of the Serbian people would wish," Lukic told TANJUG's correspondent while on a visit to the eastern Bosnian township of Skelani.

Lukic added, however, that "the senselessness of this (method of relief deliveries) will soon become apparent, because all conditions exist for delivering supplies by land."

The exact date for the beginning of the airdrop operation, initiated by U.S. President Bill Clinton, has not been revealed, but U.S. planes dropped leaflets in the night between Saturday and Sunday informing the population that it was imminent.

General Mladic Assesses U.S. Aid Plan

AU2602185293 Belgrade Radio Beograd Network in Serbo-Croatian 1545 GMT 26 Feb 93

[Telephone interview with General Ratko Mladic, commander of the Serbian forces of Bosnia-Herzegovina, by an unidentified studio announcer—live]

[Text] [Announcer] Mr. Mladic, can you hear us?

[Mladic] Yes, and I greet all the listeners of Belgrade Radio and all of you in the studio.

[Announcer] Thank you very much. You heard the report by our colleague Lukic from Washington. He mentioned several times that the warning, or attention, is being drawn to the so-called Serb fire. What is your view of this?

[Mladic] The latest decision by President Clinton is very bold, but is probably in the spirit of the plan for a march to the east, and the control and putting everything under the control of the only superpower, the United States, as the proponent of the new economic order. The Serbian side has been doing everything up to now for the humanitarian aid to reach the territory of the former Bosnia-Herzegovina. It also made the Sarajevo airport available. It has made it possible for the humanitarian aid to arrive, even though it is unevenly distributed, and has mainly [words indistinct] for Alija's and Tudjman's armies. We have no reason to nor interest in opening fire on the planes if they, and we hope that they will, drop humanitarian aid.

[Announcer] And not something else.

[Mladic] I must stress that the humanitarian aid can safely be delivered to all places via land, via the territory of the Serbian Republic, as has been the case so far. Regarding the introductory part and the statement by Mr. Woerner, the UN forces could not have obtained supplies, food, and other articles needed for the army had it not been for the cooperation of the army and the people of the Serbian Republic. It is known that all their centers, particularly the command in Sarajevo, receive all aid and all logistics via our side. I hope that these humanitarian air convoys will be used only for delivering the most elementary, the most essential aid, food, medicines, and perhaps some clothes, to all sides equally.

[Announcer] Mr. Mladic, the Security Council last night also singled out the Serbian side for allegedly obstructing

the UN humanitarian convoys. We are talking about the land convoys that you mentioned. Could you explain the essence of the dispute which arose when the convoy was stopped near Mali Zvornik?

[Mladic] This is correct. A convoy was stopped near Mali Zvornik. The convoy was commanded by a Belgian officer. The convoy was stopped to be checked, because several times we have discovered that the Muslim and the Croatian sides were receiving fuel, ammunition, and weapons through UNPROFOR [UN Protection Forces] and humanitarian convoys. After all, one does not have to be a soldier to conclude that there are no oil wells in Sarajevo, nor Gorazde, nor other places where the Croat-Muslim forces are surrounded. They have been fighting for a whole year, however, and with increasing ferocity. This indicates that they are being helped by various organizations such as Caritas and Merhamet. Because of this, we have decided to inspect overland aid shipments. I hope that this will be understood by Mr. (?Morillon) and the gentlemen in the Security Council, and that they will do something to stop the delivery of weapons to the Croatian-Muslim side.

[Announcer] So we are talking about stopping aid in arms, and not humanitarian aid.

[Mladic] We must get this under control, otherwise this war will last forever, considering that the Security Council is not doing anything with regard to sanctioning Croatia for having its armed forces in the former Bosnia-Herzegovina, and even less for stopping the (?violation) of the embargo against the former Yugoslavia.

On the one hand there is a buffer zone around the Serbian people as a whole, while on the other the door has been widely opened, in both the strait of Otranto and the Adriatic. The Adriatic ports are freely entered by the ships and convoys of death.

Humanitarian operations would be much cheaper if Security Council Resolution 787 on the withdrawal of the Croatian forces from the former Bosnia-Herzegovina was observed, if sanctions were introduced against Croatia for its aggressive behavior in the war in the former Bosnia-Herzegovina, and particularly because of its attack on the Serbian people of the Republic of Serbian Krajina, and especially because of violations of the embargo and the free import of enormous amounts of arms and ammunition from the central European countries and some Islamic countries.

[Announcer] Mr. Mladic, I assume that you have heard the news that Croatian President Tudjman has said that Croatia will do everything possible for peace to be achieved in Bosnia-Herzegovina.

[Mladic] You make me laugh. I recently had the opportunity to see on television the cordial welcome staged by the greatest murderer of the 20th century, Ustasha Franjo Tudjman, for the Turkish degenerate Ozal at the airport in Zagreb, where they agreed on new coordination for the war against the Serbian people. (?It would) be

foolish to think and believe that he cares for peace. Like Alija Izetbegovic, Franjo Tudjman came to power in order to wage war. He will last as long as war lasts, and once the war is over he will go, too. Both of them.

[Announcer] Finally, Mr. Mladic, can we ask you something else? A few minutes ago we read the statement of the Security Council in which, we quote, the Serb paramilitary forces, are singled out again.

[Mladic] I think that the Security Council has enough troops in the former Bosnia-Herzegovina to see that these forces are the Serbian people. The Serbian people cannot be paramilitary forces. There are no and there will be no paramilitary forces in the Serbian Republic. We do not need them.

At the plenary session of the second round talks in Geneva, Mr. Vance and Mr. Owen saw themselves how our forces operate when the Muslim forces invented the problem that the water from the (?wells) was not reaching Sarajevo.

[Announcer] Mr. Mladic, one more question. Let us go back to the very beginning, when we talked about the operation delivering humanitarian aid. I understood you and assume, as do all who are carefully listening to you, that you will do your utmost for the delivery of food and medicines, that the aid will move smoothly and that there will be no problems and incidents.

[Mladic] Of course, we have already issued an order to our units. Even if we had not issued it, our units have never taken any action against the convoys delivering humanitarian aid via land and air.

[Announcer] But they did when arms or something similar was delivered.

[Mladic] Arms and ammunition are prohibited from entering the territory of the former Yugoslavia. I would only like to stress and remind your listeners that the Croats and Muslims shot down the Italian plane. They were probably rewarded for that. They must have been, because after that they began receiving even more arms for waging war against the Serbian people, especially Muslims, who used them particularly well to kill Serbian children, women, and soldiers.

[Announcer] Not only that, there was also that incident on Vaso Miskin Street [when a mortar bomb killed several civilians in a bread line].

[Mladic] Of course. They do not know anything else but [words indistinct]. This is the Ustasha policy aimed at making advances toward the east [words indistinct] countries of central Europe.

[Announcer] Mr. Mladic, thank you very much for this conversation and the new information that you gave to the listeners of the Belgrade Radio First Program.

[Mladic] Thank you, and I wish you all the best.

[Announcer] Thank you.

[Mladic] Goodbye.

Karadzic To Attend Talks, Opposes U.S. Drops

PM2602145693 Paris LE MONDE in French 26 Feb 93
p3

[Report by Florence Hartmann: "Mr. Karadzic Determined To Go To New York for Peace Negotiations"]

[Text] Belgrade—"I will go to New York despite the American threats to start legal proceedings against me. It is ridiculous to accuse me of having ordered the rape of three Muslim women!" Radovan Karadzic, the leader of the Bosnian Serbs, told LE MONDE on Wednesday 24 February that he would take part in the peace negotiations which are due to continue under UN auspices at the end of the week even if Washington refuses to grant him immunity.

Mr. Karadzic, who is on a list of people suspected of war crimes in former Yugoslavia drawn up by the U.S. State Department last November, has just been accused by two American organizations for the defense of women's rights of being responsible for the rape of two young Bosnian Muslim women. These movements have brought a legal action against Mr. Karadzic. "I am not worried because I think that the United States does not intend to make itself ridiculous by trying me on the basis of these absurd accusations," he concluded, stressing that "this whole rape issue is a farce."

In his Belgrade hotel, the leader of the Bosnian Serbs also described the decision by U.S. President Bill Clinton to drop humanitarian aid to the besieged populations in eastern Bosnia-Herzegovina as "pointless and unjustified." "Hundreds of convoys have been allowed to pass, and they will be able to continue to cross our territory in the future. If we cannot guarantee their safety because of the fighting, we will propose another itinerary to ensure that the convoys reach their destination," Mr. Karadzic explained to us.

In the course of the day, the Office of the UN High Commissioner for Refugees' convoy intended for the Muslim enclave of Gorazde in eastern Bosnia nonetheless remained blocked in the Serbian-controlled area of Podromanija, around 30km north-east of the city. Mr. Karadzic, who tends to oppose this operation to drop food which is "the first step toward military intervention," thinks that this could provoke an escalation of the conflicts in the Balkans and "even a third world war."

Stating that the Serbs "will never fire at an American plane or any other foreign plane," he said he is convinced that the Bosnian Muslims will do so "because that is their last chance of provoking a foreign military intervention in Bosnia."

Izetbegovic To Attend Opening of New York Talks

LD2802202493 Belgrade TANJUG in English 1849
GMT 28 Feb 93

[Text] Washington, Feb 28 (TANJUG)—Bosnian Muslim leader Alija Izetbegovic will attend the opening of the next round of Bosnia-Herzegovina talks on Monday [1 March] at UN Headquarters in New York, but it is not clear if he will stay through the talks.

Izetbegovic on Sunday had a private session with U.S. Vice President Al Gore, after which a statement was released saying that Gore had expressed hope that a suitable and lasting solution to the situation in Yugoslavia would be found.

The Clinton administration invited Izetbegovic to Washington to persuade him to attend the new round of the Bosnia peace talks.

U.S. Secretary of State Warren Christopher said on Sunday that Washington had no special peace plan for Bosnia and that the (?plan proposed) by international mediators Cyrus Vance and Lord Owen was 'original' in its approach.

Speaking on the 'Meet the Press' television show, Christopher said that Washington, however, believed some changes were needed in the plan to make it more acceptable to the Muslim side. He also said it was possible to amend the plan and added that Vance and Owen were of the same opinion.

Now that the Bosnia peace talks are, according to analysts in Washington, entering the crucial stage, a rift has appeared between Izetbegovic and Premier of the Bosnian Muslim-Croat Government Mile Akmadzic.

Akmadzic, a Croat, recently wrote to Senator Biden, who chairs the Senate Foreign Affairs Subcommittee, saying that Izetbegovic's term of office had expired in December and that he could no longer be president but only a member of the Bosnian Presidency.

Senator Biden, an ardent supporter of the Bosnian Muslim cause in the U.S. Senate, last summer initiated the U.S. Congress decision to send 50 million dollars' worth of arms to Bosnian Muslims subject to the U.S. President's approval.

Senator Biden's office has circulated a faxed message from Izetbegovic saying that he would remain president 'because of the emergency situation created by war.'

Commentator Views New York Round of Peace Talks

AU2602194093 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1400 GMT 26 Feb 93

[Commentary by Zviad Dizdarevic]

[Excerpt] The political ambience of the New York round of the peace conference on Bosnia-Herzegovina has a considerably different quality than the one in Geneva. All the relevant international subjects are taking part, but now in a constellation that reflects the actual ratio of powers and with the U.S. completely taking over the initiative. Thanks to Clinton, the approach toward the peaceful solution has changed radically to the advantage of the interests championed by the official Bosnia-Herzegovina authorities.

President of the state presidency Alija Izetbegovic will be a guest in Washington on the eve of this round of negotiations. Washington previously clearly emphasized that support for Bosnia-Herzegovina's sovereignty, independence, and territorial integrity is the basis of White House policy. Some other promising signs were also given to Izetbegovic.

The previous engagement of the new U.S. President in our issue could be described as gradual but resolute political activism. Clinton's decision to deliver humanitarian aid to the people of eastern Bosnia from the air had the effect above all of a political and psychological bomb. Regardless that it has been stressed that this would only be a temporary action, Clinton emphasizes that this is a humanitarian as well as a political mission.

The UN Security Council accepted the American engagement. Prior to this it had unanimously passed a decision to form an international tribunal for grave violations of human rights in these areas, while the UN Commission for Human Rights without (?hesitation) endorsed two resolutions, accentuating the responsibility of the commissioners of crime in Belgrade and Pale. The international and legal circle is, therefore, also increasingly tightening around them.

Russia has made its conditions known for participation in future international decisions. It has reiterated its adherence to a peaceful solution based on the Vance-Owen blueprint and expressed interest in participating in the work of the international tribunal. [passage omitted]

Akmadzic: Izetbegovic Not Represent Government

AU2602210493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 26 Feb 93

[Report by Mujo Delibegovic from Washington]

[Excerpt] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, will hold talks with Vice-President Gore in Washington this afternoon—U.S. time. He may meet with President Clinton too.

As I reported earlier, our Foreign Minister Haris Silajdzic is already in America; the rest of the Republic of Bosnia-Herzegovina delegation is still expected. Mate Boban, head of the Croatian delegation, and Prime

Minister Mile Akmadzic, another member of the Bosnia-Herzegovina delegation, arrived earlier. The criminal Karadzic and his delegation also arrived in New York today.

What is characteristic of this period prior to the negotiations are the various statements and letters aimed at gaining better initial positions. There is no need to mention the already familiar statements by the criminal Karadzic. What is surprising is the letter of Bosnia-Herzegovina Prime Minister Mile Akmadzic, addressed to one of the most prominent U.S. senators, Democrat Joseph Biden, in which Akmadzic denies the right of Izetbegovic and Silajdzic to represent and speak in the name of all three ethnic communities of Bosnia-Herzegovina. Among other things, he says in this letter that Izetbegovic's mandate expired on 20 December and that he does not have the right to represent everyone's interests. Only the Bosnia-Herzegovina Presidency has the right to do so, not the president alone. Silajdzic and Izetbegovic both speak of the Vance-Owen blueprint as the Muslims in the government, and Akmadzic as prime minister felt obliged to point this out.

Senator Biden made it very plain in writing to Akmadzic that he acknowledged Silajdzic, whom he had met last week, as a representative of the state of Bosnia-Herzegovina and that Silajdzic had sought help for all ethnic communities and not just one. The senator is surprised that a government member can speak the way Akmadzic does. Senator Biden said he did not understand why Akmadzic was breaking away. [passage omitted]

HVO Closes Croatian Border Crossings to Army

LD2702201693 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 27 Feb 93

[Report by Slavko Rako from Herzegovina]

[Text] While discussing at a session today the security and military situation in central Bosnia, which has been caused by members of the Bosnia-Herzegovina Army, the Croatian Defense Council [HVO] of the Croatian Community of Herceg-Bosna adopted several important decisions. All border crossings between the Croatian Community of Herceg-Bosna and the Republic of Croatia have been closed until further notice for all vehicles and persons working for the Bosnia-Herzegovina Army.

A statement from the extraordinary session stresses that the decision was reached in agreement with a regional committee of the Party of Democratic Action [SDA] for Herzegovina, and that it will be annulled in agreement with the SDA as well.

It was suggested to the defense minister in the Bosnia-Herzegovina Government that he should recall Sefer Halilovic, commander of the main Headquarters of the Bosnia-Herzegovina Army. The HVO has rejected all decisions of the Bosnia-Herzegovina Government

adopted in the absence of the prime minister and ministers representing the Croatian nation. It is also stressed that, in agreement with and with the consent of high officials in the Bosnia-Herzegovina Army, certain ministers have been usurping the authorities, which is similar to a putsch, and some decisions and elements are a classic example of a military coup.

The lengthy statement also says that it is significant that things like this always happen when Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, is not in the country but attending negotiations on how to solve the crisis in Bosnia-Herzegovina.

The leadership of Bosnia-Herzegovina, representatives of the Muslim nation, and Alija Izetbegovic himself, are requested to make public their opinion concerning all these issues, to say whether a coup d'etat is underway, whether incidents provoked by Bosnia-Herzegovina Army units can be stopped, and when a change in Sarajevo media reporting is expected. The statement stresses a readiness for further cooperation between the Muslim and Croatian nations, such as already exists in Mostar, Tuzla, and Usora, but is never mentioned by the Sarajevo media. It is also stressed that incidents between Bosnia-Herzegovina Army units and the HVO occur in the areas where Bosnia-Herzegovina Army units have no contact with the chetnik aggressor. The statement cites that the Bosnia-Herzegovina Army has 25,000 soldiers in central Bosnia, while there are not enough defenders in eastern Bosnia, Sarajevo, and many towns in central Bosnia.

Army Statement Responds to Action

LD2802214993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 28 Feb 93

[Statement issued by the Army of Bosnia-Herzegovina; date, place not given]

[Text] Croatian radio reported last night that at an emergency session, the Croatian Defense Council [HVO] of the so-called Croat community of Herceg-Bosna had decided to close all border crossings with Croatia to all types of freight and to all persons working for the Bosnia-Herzegovina Army. A proposal was made to the minister of defense in the Bosnia-Herzegovina Government, who by the way has never sworn his oath, to suspend Bosnia-Herzegovina Army Commander Sefer Halilovic. At the same time, Alija Izetbegovic was called upon to state clearly if a military coup had been carried out in Bosnia-Herzegovina.

In its statement the HVO also claims that whenever Alija Izetbegovic is abroad, the Bosnia-Herzegovina Army provokes incidents in those parts of the state where it has no contact with the chetniks. The HVO condemns the Bosnia-Herzegovina Army for keeping 25,000 soldiers in central Bosnia while there is a shortage of manpower in Sarajevo and eastern Bosnia. The HVO also condemns the Sarajevo media for ignoring joint Croat-Muslim military actions. In conclusion, the statement says that

the HVO rejects all government decisions adopted in the absence of the Bosnia-Herzegovina prime minister and Croatian ministers, all the more so since some of these decisions allegedly contain elements of a military coup.

This is not a surprising development. The leadership of so-called Herceg-Bosnia is continuing with its old policy of blackmail, deceit, and inciting Muslim-Croatian discord, at a time when Bosnia-Herzegovina state positions are growing stronger, and when the joint action of Croatian and Muslim national representatives is needed more than ever. All the claims and accusations by the Herceg-Bosnia HVO are simply inaccurate and clearly are designed to weaken the positions of the Bosnia-Herzegovina state delegation at the negotiations in New York.

During the Geneva negotiations, Gornji Vakuf was attacked. On this occasion, however, everything has been done more perfidiously, and Mile Akmadzic's political sabotage is being used throughout the world in an attempt to strip President Izetbegovic of his legitimacy and legality. This was done according to well-known instructions designed to spread a lie about the alleged military coup. No such coup has been carried out in Sarajevo and it will never take place. Even the bombers of Pale do not resort to such ridiculous propaganda.

The Bosnia-Herzegovina Army functions and behaves consistently, regardless of whether Alija Izetbegovic is at home or abroad, and has never been the one to provoke clashes with the HVO. There is ample evidence to corroborate this: the clashes in Prozor, Donji Vakuf, Busovaca, and Kiseljak. These clashes were provoked by HVO units.

As for the alleged surplus in manpower in the Bosnia-Herzegovina Army in central Bosnia, HVO leaders are aware that chetniks have taken over some of the hills in the area and have shifted the defense lines, precisely because of a shortage of soldiers in the units of the Bosnia-Herzegovina Army, which at that time had to defend themselves against HVO attacks from behind.

In Sarajevo and central Bosnia, the Bosnia-Herzegovina Army is not short of people, but of weapons and ammunition, the delivery of which is being hampered by the units and leaders of the HVO who have been holding back considerable amounts of weapons and ammunition for themselves.

Like others before, the latest decision not to allow any deliveries to the Army of Bosnia-Herzegovina is designed to weaken the Army's resistance, to delay the lifting of the blockade on Sarajevo, and to destroy thousands of lives in eastern Bosnia, and by implication, to place the state delegation of the Republic of Bosnia-Herzegovina now visiting New York in a situation in which it practically will have to capitulate, or rather accept a plan of dividing Bosnia-Herzegovina as suits the Herceg-Bosna leaders.

All this indicates that Franjo Boras' assurances about Herceg-Bosna's readiness to become part of the Bosnia-Herzegovina state structure are false. The best denials of the claim that the Sarajevo media have ignored joint Muslim-Croat successful actions can be found daily in all the media. The Bosnia-Herzegovina press center itself has spared no effort in emphasizing and promoting as effectively as possible, any joint successful action, or in general, the common struggle of the HVO and the Bosnia-Herzegovina Army on the Brcko, Gradacac, and Sarajevo battlefields in particular, and anywhere where the struggle is being waged jointly.

The decision by the HVO not to recognize any resolutions adopted by the Bosnia-Herzegovina Government in the absence of the prime minister and Croatian ministers should be left to be judged by politicians, but it is widely known that the leadership in Grude has never observed any decisions made in their presence, and that Akmadzic and company have not been expelled from Sarajevo. On the contrary, they have been constantly asked to return and to resume their functions, but they have stubbornly ignored the government and its work in an attempt to destroy it.

Even if he had taken an oath, the defense minister, as someone who has constantly been questioning the state of Bosnia-Herzegovina and its armed forces, has neither moral nor constitutional powers to suspend the chief of general staff of the Bosnia-Herzegovina Armed Forces Supreme Command.

In brief, the latest decision by the Herceg-Bosna HVO is yet another in a whole series of similar decisions designed to negate the existence of Bosnia-Herzegovina as a state, and to deprive its state delegation of the right to attend negotiations on Bosnia-Herzegovina as a state delegation.

Every time Bosnia-Herzegovina strengthens its positions on the international scene—and that is precisely what is happening now with U.S. support for our state—the HVO resorts to the same method: It tries to weaken the Bosnia-Herzegovina Army by spreading stories about the incompetence of its top echelons and a military coup, by questioning the right of the legally elected representatives to represent the state of Bosnia-Herzegovina, or to put it simply, by blackmailing Sarajevo.

The gentlemen from Grude have not had much success in their foul play so far. Despite all this the Army of the Republic of Bosnia-Herzegovina is gaining in strength daily, and will continue to be the Army of both the Croatian and the Muslim peoples, and of parts of the Serb population, in other words the Bosnia-Herzegovina Armed Force. There is full unity and respect for hierarchy between the state and military leaderships. Stories about a military coup can no longer deceive even small children, and the world will continue increasingly to support an indivisible Bosnia-Herzegovina and its legally elected authorities, as borne out by an official

invitation to Alija Izetbegovic to visit the United States. There is no reason why this should not continue to be the case.

[Signed] The press center of the Army of the Republic of Bosnia-Herzegovina.

Muslim Party Assails Decision

LD2802170293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 28 Feb 93

[Text] The Party of Democratic Action [SDA] for Herzegovina issued a public statement today in connection with a statement made by yesterday's extraordinary session of the Croatian Defense Council [HVO] of the Croatian Community of Herceg-Bosna. The HVO statement said that due to the latest incidents caused by members of the Bosnia-Herzegovina army in central Bosnia, the HVO has decided to close those border crossings with the Republic of Croatia which were meeting the needs of the Bosnia-Herzegovina army units, and that this decision was reached in agreement with the leadership of a regional committee of the SDA for Herzegovina, our correspondent Izudin Sahovic reports.

The SDA statement stresses that the SDA did not give its consent or take part in the HVO's decision to stop convoys supplying the Bosnia-Herzegovina army at the border with the Republic of Croatia. The SDA regional committee, the statement goes on to say, is not a body of military or state authority which would enable it to give consent to such decisions. The committee also believes that the HVO decision is not the best response to the incidents in central Bosnia because it diminishes the defense potentials of all armed units of the Republic of Bosnia-Herzegovina.

The SDA for Herzegovina has viewed with great concern the latest incidents of holding up convoys with humanitarian aid and of confiscating military equipment and other goods intended for central Bosnia, as well as the reactions to the decision to close the border with Croatia because all this is aimed directly against cooperation and joint action of the Bosnia-Herzegovina army and the HVO in their struggle against the common aggressor.

This cooperation is also damaged by numerous hold-ups of convoys transporting goods for the Bosnia-Herzegovina army in the territory under the control of the HVO, as well as by problems that foreign delegations, representatives of humanitarian organizations, and various donors have encountered with the HVO military police.

The SDA statement goes on to ask why the military commanders of the Bosnia-Herzegovina army and the HVO, Sefer Halilovic and Milivoje Petkovic, have not implemented signed agreements on joint control points in all areas, including central Bosnia where most incidents have occurred, as well as on the creation of joint commands. If only some of the signed agreements had

been implemented, the incidents that pose a serious threat to all relations between the HVO and the Bosnia-Herzegovina army, as well as the Muslim and Croatian nations in general, would not be happening.

The SDA for Herzegovina will continue working with the Croatian Democratic Community for Bosnia-Herzegovina on establishing joint bodies of civilian authorities and the normalization of life in liberated areas in the interest of the well-being of both nations.

Croats To Suspend Ban

*LD2802161193 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1500 GMT 28 Feb 93*

[Text] State authorities are closely monitoring the situation caused by disagreements between Bosnian Croat forces and the Bosnia-Herzegovina Army. We have learned this from the office of Ejup Ganic [Bosnian Presidency member], who is standing in for the absent president of the Presidency of Bosnia-Herzegovina.

Ganic telephoned the relevant authorities, in particular the Croatian Democratic Movement [Croatian party in Bosnia] and Party of Democratic Action [Muslim party in Bosnia] leaders in Mostar and Herzegovina. Croat political and military representatives gave assurances that the HVO [Croatian Defense Council] would suspend its unilateral ban on the traffic of people and goods for the needs of the Bosnia-Herzegovina Army, it learned from Ganic's office.

SDA Reiterates Support for Government

*LD2802173493 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1400 GMT 28 Feb 93*

[Text] The Regional Committee of the Party of Democratic Action [SDA] for central Bosnia has issued a public statement in connection with attempts by leaders of the so-called Croatian Community of Herceg-Bosna to prove that a military coup was carried out in Bosnia-Herzegovina after the departure of President Alija Izetbegovic. The essence of all our efforts—as is obvious in central Bosnia—is to preserve the continuity of the legally elected government. This unquestionably proves that the Bosnia-Herzegovina authorities still relies on the authentic freedom loving and political consciousness of many citizens—Muslims, Serbs, and Croats, the statement says.

The SDA Regional Committee for central Bosnia gives its undivided support to the Bosnia-Herzegovina Army General Staff, and especially to Sefer Halilovic, chief of the General Staff. It also fully supports the editorial policy of Bosnia-Herzegovina Radio.

Tension Rising Between Muslims, Croats

*LD2702173393 Zagreb Radio Croatia Network in
Serbo-Croatian 1600 GMT 27 Feb 93*

[Report by Slavko Rako for Croatian Radio from Herzegovina]

[Text] The situation is extremely tense in central Bosnia, Colonel Dario Kordic, vice president of the Croatian Community of Herceg-Bosna, has said. Muslim forces positioned on the Ravno-Rostovo pass on the road between Bugojno and Novi Travnik yesterday stopped a Croatian Defense Council [HVO] convoy and stole the money intended for salaries of the Busovaca military police and equipment worth 250,000 German marks. A refrigerator truck transporting meat for the Zepca HVO has been stolen, as well as a tanker with engine oil and antifreeze for the Travnik HVO. Two tankers taking fuel to Busovaca were stolen the day before yesterday in Gornji Vakuf, as well as equipment for Busovaca Television worth more than DM 20,000, Kordic said.

Since Busovaca is still surrounded by Muslim forces, which have blocked traffic, according to Dario Kordic, the Muslim forces have been given an ultimatum to open all roads and return the stolen goods. Should this fail, Muslim convoys will be prevented from using roads in Herzegovina. The ultimatum expired at 1400; the stolen goods have not been given back, and Col. Kordic said that measures to be taken are being discussed.

As we have learned unofficially, the situation in central Bosnia is the topic of talks between representatives of the main HVO Armed Forces Headquarters in Mostar and the command of the Muslim forces in Herzegovina. The same thing is being discussed at a session of the HVO [as heard].

The Serb aggressor is active today as well. A general alert was sounded in Mostar at 1523 and several shells hit parts of the town on the left bank [of the River Neretva]. A report from the command of the southeastern Herzegovina operative zone describes the situation at the battlefield as follows: More than 50 shells hit the Bijelo Polje area by 1130. The dam of the Mostar hydroelectric plant, the villages of Gnojnice and Dracevice, and the section of the battlefield toward Stolac were targeted.

Belgrade Radio Reports New Muslim, Croat 'Rift'

*AU2802183493 Belgrade Radio Beograd Network in
Serbo-Croatian 1400 GMT 28 Feb 93*

[Text] The military-political leadership of the Croatian Community of Herceg-Bosna held an extraordinary meeting yesterday. As has been learned, this meeting signifies a new rift [udaljavanje] in the military and political alliance of Muslims and Croats. Here is a report by Branislav Bozic:

[Bozic] It was decided yesterday, until further notice, that all roads on the territory under the control of the Croatian Community of Herceg-Bosna are closed down for trucks and people serving in the Muslim Army, thereby banning movement of all armed Muslim formations in the entire western Herzegovina and a part of central Bosnia. This also means that the Muslims will no longer receive arms and other equipment via Adriatic ports and from Zagreb as they have been receiving in the past. Besides, the leadership of the Croatian community

of Herceg-Bosnia demands, in the form of an ultimatum, that the Muslims urgently replace their head soldier Sefer Halilovic, who they claim wants to take over and train 25,000 Muslim soldiers in central Bosnia for an attack against Croatian forces. It also was said that all decisions made by the Sarajevo Government without representatives of the Croatian people were rejected.

All in all, along with the fact that Herceg-Bosnia has taken money, the legal system, the army, and the police from the Republic of Croatia, these new decisions only confirm that Herceg-Bosnia has, in fact, become a part of Croatia. A formal and legal decision on this matter seems to have been left waiting for a suitable political moment. Muslims were only being deceived by Croats with fairy tales about a historical alliance. [end recording]

UNPROFOR Finds Arms in Croatian Aid Truck

AU2602140493 Paris AFP in English 1343 GMT 26 Feb 93

[Text] Sarajevo, Feb 26 (AFP)—U.N. soldiers discovered a cache of grenades, grenade launchers, light arms and munitions hidden behind potato sacks in a humanitarian aid truck near here, a U.N. spokesman said Friday [26 February].

The United Nations Protection Force (UNPROFOR) soldiers discovered the weapons Thursday in the back of the truck at Kiseljak, some 35 kilometers (22 miles) northwest of Sarajevo, as they were unloading it.

The truck was headed for Busovaca, about 30 kilometers northwest of Kiseljak. Busovaca and Kiseljak are under Croatian control.

Croatian forces had asked for the U.N. escort. The U.N. agreed on condition that the truck's contents be loaded onto U.N. vehicles. In return, the Croats had promised to lift a roadblock at Busovaca.

The Croatian chief of staff in Bosnia, General Milivoj Petkovic and his assistant for central Bosnia, Colonel Tihomir Blaskic, had officially asked for the U.N. escort at a meeting Thursday with a U.N. official in Bosnia.

They were "stunned and bewildered" by the arms discovery, said U.N. spokesman, Commander Barry Frewer.

UNPROFOR leveled a "strong protest" with these officers and an investigation has been ordered, Frewer said.

The truck, which came from the Adriatic coastal city of Split, had been hired by Caritas, a humanitarian organization. But this does not implicate this organization, Frewer said, adding that the arms could have been hidden inside the truck anywhere along the 150 kilometer (95 mile) route between Split and Kiseljak, Frewer explained.

The arms were seized, but the truck was permitted to continue, Frewer said.

General Philippe Morillon, UNPROFOR commander, arrived in Kiseljak Friday where he will be briefed on this incident by Petkovic, Frewer said.

This incident was an "attempt to discredit either UNPROFOR or the HCR (United Nations High Commissioner for Refugees)," Frewer said.

Aid Convoy Commander Refuses To Allow Inspection

LD2602145593 Belgrade TANJUG in English 1325 GMT 26 Feb 93

[Text] Zvornik, February 26 (TANJUG)—A convoy of 60 vehicles of the United Nations High Commissioner for Refugees (UNHCR), accompanied by 150 United Nations Protection Force (UNPROFOR) troops, is after four days still in Mali Zvornik, on the border between the Federal Republic of Yugoslavia and the eastern part of the former Yugoslav Republic of Bosnia-Herzegovina, since the convoy commander refuses to allow an inspection of its contents.

TANJUG has learned from sources close to the Army of the Serbian Republic in Bosnia-Herzegovina that the convoy will not be allowed to cross the bridge to the east Bosnian town of Zvornik until authorized bodies conduct a routine inspection of the convoy.

The convoy commander, who says the vehicles are bound for Sarajevo, has for several days been refusing to allow an inspection of the convoy by the Army of the Serbian Republic, said Vlado Dakic, in charge of contacts with UNPROFOR in the Zvornik Garrison.

After traffic jams near the bridge in Mali Zvornik for several days, the local authorities have decided to move a number of the vehicles to a nearby empty lot.

The authorities of the Serbian Republic in Bosnia-Herzegovina are conducting a routine and obligatory inspection of all UNHCR convoys so as to thwart all attempts to deliver arms to the Muslims and Croats in the civil and religious war in Bosnia-Herzegovina, which has been raging for nearly a year.

During a routine inspection of a humanitarian convoy in Sarajevo on Wednesday, the Serbian forces found French military equipment—eight brand new sets of radio equipment, four bullet-proof vests, a "boss" generator unit and a short-wave radio.

All equipment has been confiscated and the convoy allowed to pass to the Muslim-held part of Sarajevo, said Bosnian Serb military sources.

Convoy Allowed To Leave

LD2702151393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1417 GMT 27 Feb 93

[Excerpt] Zvornik, 27 Feb (TANJUG)—Following a five-day hold-up in Mali Zvornik, a 29-vehicle convoy of the UN Protection Force [UNPROFOR] crossed to the left bank of the Drina at about noon today. From there, after a usual check, it was allowed to proceed toward Sarajevo at about 1300. [passage omitted]

Minister Resigns Over Differences With Izetbegovic

LD2802170393 Belgrade TANJUG in English 1632 GMT 28 Feb 93

[Text] Vienna, Feb 28 (TANJUG)—Member of the Bosnia-Herzegovina Moslem Government Munir Jahic [minister of environmental protection, planning, and construction] said on Sunday [28 February] that he had resigned over differences with Bosnian Moslem leader Alija Izetbegovic and that he had no intention of returning to Bosnian capital Sarajevo.

Jahic, who is currently in Vienna, told the Austrian news agency APA that many other ministers also disagreed with Izetbegovic's policy.

He criticized Izetbegovic for rejecting the European Community Lisbon plan for dividing Bosnia into cantons which, he said, had escalated the war. He argued that the Bosnian Moslem leader should have urged closer ties with Zagreb, "to check the Serb aggression."

Jahic was also critical of Izetbegovic's attitude towards Bosnian Serb leader Radovan Karadzic. "At a time when negotiations with Karadzic were still possible, Izetbegovic branded him a war criminal," said Jahic.

Izetbegovic's insistence on a foreign military intervention "is nothing but an illusion", he said and added that every effort should be invested to ensure a lifting of the U.N. embargo on arms deliveries to Bosnia "because 100,000 Moslems are still waiting to arm themselves."

Karadzic Denies Knowledge of New York Bombing

AU2702211893 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 27 Feb 93

[Text] In response to a question asked by a REUTER journalist on whether he has heard of the Serbian Liberation Front organization, Radovan Karadzic said that Serbs are liberated and do not need such an organization. Concerning the remark that such an organization claimed responsibility for yesterday's explosion in New York's World Trade Center, Karadzic replied with a question—do you really believe that?—and said that he cannot comment on such assertions.

Regarding the reaction presented in the media that Serbs may be responsible for the explosion, Karadzic deemed

them an unreasonable conclusion, to say the least, because the Serbs do not need a military intervention and are not interested in it. Karadzic said that one should, therefore, better ask those who advocate and need it.

Bosnian Serb leader Radovan Karadzic said that he really does not know who committed this act or why he has done so, and that perhaps even the FBI does not now at the moment. In Karadzic's opinion, it is best to wait for the results of the investigation.

Concerning the peace negotiations, Karadzic is still an optimist and hopes that the New York incident will not affect the negotiations which, Karadzic says, are the only alternative.

Serbs Allege Muslim War Crimes in Eastern Bosnia

LD2802133593 Belgrade TANJUG in English 1316 GMT 28 Feb 93

[Text] Belgrade, February 28 (TANJUG)—Over 600 houses in Serb villages around Bratunac in eastern Bosnia have been set on fire since the beginning of the Moslem offensive, which is still going on, said the commission for refugees in Bratunac.

The commission said on Sunday that over 350 families have fled to Bratunac from these villages, adding that temporary lodging has been provided for 250 of these families.

During the offensive, which began in December, the Moslem forces carried out mass crimes against the Serbian population in the region of Bratunac and the nearby Serb town of Skelani.

Over 200 Serbs, mainly women, children and the elderly, have been massacred in villages around Bratunac, while over 50 civilians have been killed and more than 150 wounded around Skelani.

Serbian military sources said it was relatively quiet around Sarajevo on Saturday night, except for Moslem mortar attacks on the Serb settlements of Dobrinja and Nedzarici.

The Serb forces did not return fire to these provocations, the sources said.

'Uniformed' Men Remove Serbs, Muslims From Train

AU2802181593 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 28 Feb 93

[Report by Bora Novakovic]

[Text] As we were told today at the Priboj militia station, a group of uniformed and armed men stopped the train on the Belgrade-Bar railroad line at the Strpci railroad station in the Serbian republic [of Bosnia-Herzegovina] at approximately 1600 yesterday. These armed people

searched the train and its passengers, after which a group of people, whose number has not yet been established, were taken to an unknown destination. We were told at the Ministry of Internal Affairs of Serbia in Priboj, however, that all these people are of different nationalities. This is all that the people in the Priboj militia station have reported for the local radio.

We have learned from reliable sources, however, that about 40 ethnic Muslims and Serbs were taken off that train. Muslims who had fled the former Republic of Bosnia-Herzegovina and had been hiding in Serbia—that is, the Federal Republic of Yugoslavia—as spies were removed. Also taken off the train were Serbs who had evaded mobilization into the Army of the Serbian Republic and who had been born in the former Bosnia-Herzegovina and registered as draftees there.

People in the Priboj militia station could not tell us exactly what happened with these people later, but it is a fact that Muslims, Serbs, and Montenegrins from the former Bosnia-Herzegovina—where they have property and established families—have left their homeland in a cowardly way, without fighting, and are hiding in Priboj and the neighboring towns of the (Ras) region.

We also have learned from reliable sources that no one was killed, though the Muslims were taken toward Sarajevo—to Alija's [refers to President Alija Izetbegovic] territory, as we were told—to report to the Muslim military authorities and fight there. Serbs were sent to the Serbian republic, but also to report to the military authorities in the Serbian republic, in the places where they were born and registered as military draftees, or where they used to live and have families. They should serve their military service there.

Muslims Reportedly Attack Serb Positions, Villages

LD2702131093 Belgrade TANJUG in English 1256 GMT 27 Feb 93

[Text] Bratunac, Zvornik, February 27 (TANJUG)—The Moslem forces continued fierce attacks on Bosnian Serb military positions and Serb villages around Bratunac and Zvornik in eastern Bosnia on Saturday [27 February] morning.

Bosnian Serb military sources said on Saturday the Moslem side is using all available artillery weapons and tanks in attacks on the Bratunac region.

Moslem forces opened mortar and artillery fire, and staged infantry attacks, around Zvornik during last night.

The Moslem attacks began after two unidentified helicopters made reconnaissance flights over eastern Bosnia Saturday morning, said Bosnian Serb military sources.

Serbs Report 'Reconnaissance' Flights

LD2702114893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1032 GMT 27 Feb 93

[Text] Bratunac, Zvornik, 27 Feb (TANJUG)—Early this morning two unidentified helicopters overflew an area of eastern Bosnia on a reconnaissance mission, Serb army sources have announced.

Coming from the direction of Tuzla, the helicopters overflew the area of the Serb municipalities of Zvornik and Bratunac, and after overflying Srebrenica they returned toward Tuzla, whence they came.

The commands of the garrisons of the Serb Republic's army [in Bosnia-Herzegovina] in Zvornik and Bratunac said the helicopters were not fired on.

This is the first case of air reconnaissance over eastern Bosnia since the beginning of the war, Serb army sources told a TANJUG correspondent.

Serb Offensive Reported

AU2602220293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 26 Feb 93

[Text] The aggressor in Zvezda near Bratunac fired some 30 grenades from a recoilless gun at Potocari, while 155 mm howitzers in Nijemci in Serbia and a 120 mm mortar in [word indistinct] were pounding Srebrenica. One old woman died in Potocari and one baby in Srebrenica; four people were wounded.

Besides the aggressor grenades, hunger, contagious diseases, and cold weather are also taking human lives in this area. In the last 24 hours 34 Srebrenica residents have died from hunger, illness, and cold.

On top of all the troubles that befell the residents of this area, we have learned from intelligence sources that the aggressor is planning a fierce offensive against this sub-region. The offensive is scheduled to take place on 28 February and will be led by the infamous General Sipcic. Probably for this reason and also to prevent the arrival of humanitarian aid in Srebrenica, the Belgrade media have been misinforming the public about the alleged attacks by the Bosnia-Herzegovina armed forces at Bratunac to justify the engagement of new forces in Serbia.

This is an opportunity for the UN Protection Force [UNPROFOR] representatives to demonstrate their diplomatic skills. We demand that the UN Security Council and UNPROFOR stop this offensive before it actually begins. Otherwise, the entire military and political situation in Bosnia-Herzegovina will deteriorate considerably. This was the press center of the headquarters of the Srebrenica armed forces reporting for Bosnia-Herzegovina Radio and Television.

'Escalation' of Fighting Reported

AU2602215893

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1800 GMT on 26 February reports on an escalation of fighting in the republic:

"The chetniks attempted a combined infantry-tank attack against the defense lines in Velici from the direction of (?Rogosija and Grozic)," says the Cerska correspondent, adding that that "there are casualties on both sides." According to her, the fighting is continuing as she reports. She calls upon "the European and international audience" to come and "at least save 3,000 children, 1,000 wounded, and more than 500 pregnant women" trapped in the town.

The Zepa commune information service reports that "strong explosions can be heard throughout the commune as we report."

The Gradacac war presidency information center says that "the chetniks have been charging at the eastern parts of the defense" today. Liporasc, Lukici, and Mionica "were pounded mercilessly" by Serbian mortars and tanks. "The lines of defense in Novalici, Jasenica, and Vide also suffered very intense shelling," the report further says, concluding that "the defenders are holding their positions firmly and not allowing any surprises to take place."

"The chetniks are pounding Licki Most, Rijeke, Klanac, Dizdarska, and Omerbegovaca with mortar and infantry fire," Brcko correspondent Hamiz Deronjic says. "For the time being, however, their artillery fire is not endangering the stability of the defense lines."

Tuzla correspondent Salih Brkic reports a peaceful day in the region, but points out the "latest lies of the Serbian media." "By spreading lies about the fighting in the vicinity of Bratunac," he says, the Serbs "have been obstructing for days passage of a humanitarian convoy for the suffering people of Cerska, Konjevic Polje, Kamenica, and Srebrenica." According to him, "the aggressor is trying to seize the goods while telling the public that French UN Protection Force [UNPROFOR] soldiers would not allow them to search the trucks." "There is no combat around Bratunac, even the chetniks are peaceful," Brkic assures at the end of his dispatch.

The Zvornik commune press service reports that Kovacevici was "shelled especially fiercely" today. According to the service report, some 100 mortar bombs of 82 mm and 120 mm caliber were fired in this area today.

Gorazde correspondent Fahrudin Becic reports that 127 people have died of starvation in the region. He pessimistically concludes that "there will be no salvation for many others," as the last convoy only brought "40 meager tonnes of wheat, which represents one day's requirements for this region." He also mentions "the latest threat by chetnik commander Ratimir (?Pursula)

who reiterated the ban on passage of UNPROFOR convoys that he had issued on 19 January."

Visoko correspondent Salih Hadzizalic reports that "the Serbo-chetnik aggressor in (?Balibegovici) area fired ten 105 mm howitzer missiles at the center of town." According to him, a couple was killed in this "sudden, criminal shelling" while six other residents were injured.

'Strong Explosions' Shake Sarajevo

AU2802165493

[Editorial Report] Belgrade Radio Beograd Network in Serbo-Croatian at 1400 GMT on 28 February carries in its regular 36-minute newscast several reports on the situation in Bosnia-Herzegovina.

Reporting from Sarajevo, Risto Djogo says that "strong explosions have been heard the entire day. Infantry shooting is heard in Vrace along the Milinkladaska Street-Ozrenska Street line, as well as on the Ildza section of the front, along the separation line between Stup and Azici."

Zoran Grgurevic, a correspondent from the Doboj battlefield, says that "in the section of the front toward Maglaj, enemy Muslim forces are opening mortar fire from Osve at the civilian districts of Mala (?Briha) and Velika (?Briha), as well as anti-aircraft gunfire at Ravno Brsco." Grgurevic adds that "since 1330, shells launched from Matuzici have again been falling on Doboj and its civilian districts. A general danger alarm is in force."

Miodrag Negovanovic reports from Bratunac on Muslim attacks "from Potocari, Glogovo, and Koljevica Polje. Artillery shells are frequently being launched from the Ustasha stronghold of Kvas." Negovanovic adds that "as far as we know, leaflets from planes have not fallen on the Serbian commune of Bratunac, and we do not know whether Srebrenica Muslims received them."

Zenica Steel Works Reportedly Producing Arms

LD2702144193 Belgrade TANJUG in English 1407 GMT 27 Feb 93

[Text] Belgrade, February 27 (TANJUG)—The largest iron and steel producer in the former Yugoslavia, the Zenica iron and steel works in central Bosnia, is now producing bombs, rockets and cannon barrels of a primitive make for the use of Moslem formations.

Bomb and mortar shells are made in Zenica, but are filled with explosives and finished in Vitez, in central Bosnia.

Four blast furnaces with an annual production capacity of over 2,000,000 tons of iron stopped work after the supply of natural gas was cut off. Coke ovens and other auxiliary generators of a 1,750,000 tons coke capacity have stopped work for the same reason.

Young miners have joined Moslem formations and are fighting in the war against Bosnian Serbs. The coal mines

in Kakanj and [word indistinct] are operating because the small number of miners—pensioners are forced to work at gun point and for miserable wages [as received].

A large number of Serbs who did not manage to flee on time, are also working in these mines.

Several thousand armed Moslems are guarding the steel works and mines from their former allies—local Croats,

who believe that in the (?division) of Zenica with Moslems, they are supposed to get the steel works and two mines.

The Croats had earlier taken control of two mines within the borders of Herceg-Bosnia, a republic they proclaimed in territories of the former Yugoslavia where they are the majority population.

Zenica is planned as the capital of the future Islamic state of Bosnia.

Police Defuse Explosive Device Near U.S. Embassy

AU0103151493 Zagreb NOVI VJESNIK in
Serbo-Croatian 27 Feb 93 p 48

[Report by J.I.: "Time Bomb Did Not Explode"]

[Text] Zagreb—The explosive device that was attached with a magnet to an as yet unidentified car most probably fell off opposite the U.S. Embassy when the car was driving along Hebrang Street, but fortunately it did not explode. The explosion was prevented by the fast and efficient intervention of the Zagreb police and the bomb squad, which defused the "time bomb."

According to what the police said at a news conference, the police emergency department was informed about the suspicious object on the south part of Hebrang Street at 1355. The police reacted immediately and the experts and the bomb squad went to the site and quickly established that the object was indeed an explosive device. It is assumed that it had fallen off a car when it was crossing some streetcar tracks. It is also thought to have fallen off a red Fiat 126.

The police are appealing to all citizens who were there at that time and who noticed anything suspicious that could help the police to find the car that was carrying the explosive device to report to the nearest police station or telephone police emergency line 92.

Tudjman Calls for End to Civil War

LD2602180493 Belgrade TANJUG in English 1638
GMT 26 Feb 93

[Text] Zagreb, Feb 26 (TANJUG)—There will be no more war in Croatia, the press in that former Yugoslav republic quotes its President Franjo Tudjman as saying.

In a talk with Jacques Attali, president of the European Bank for Reconstruction and Development (E.B.R.D.), Tudjman said Croatia was determined to deal with all its problems by peaceful means and reincorporate by peaceful methods the U.N. Protected Areas in the Croatian legal and constitutional system.

He was referring to the Republic of Serb Krajina (R.S.K.), proclaimed by the Serbs in those parts of Croatia where they are in the majority, and placed under U.N. protection in early 1992.

Croatia launched an aggression on the U.N.-protected R.S.K. on January 22, in which at least 1,000 people have been killed, more than 800 of whom civilians.

The Croatian offensive continues, in violation of the U.N. Security Council's Resolution 802, adopted earlier in February, which orders the Croatian Army to withdraw to behind the U.N. truce line.

During the talk with Attali, Tudjman said the results of talks with local Serb representatives would soon become apparent for all the world to see, the Croatian press quotes.

The first round of proximity talks between Croatian and R.S.K. authorities in New York in mid-February fell through because of Croatia's flouting of the order to withdraw from the territories occupied after January 22 and its demand that the territories be policed by the U.N. Protection Force (UNPROFOR) and not by R.S.K. police.

The Croatian president is also quoted as saying that Croatia would do everything for peace to be restored in Bosnia-Herzegovina, too.

For nearly a year, a fierce civil and religious war has been raging in that former Yugoslav republic among its three ethnic communities—Moslems, Serbs and Croats. Fighting on the side of these last are 60,000 troops of the army of neighbouring Croatia.

Hadzic Claims Krajina 'Completely United'

AU2602211093 Belgrade RTB Television Network in
Serbo-Croatian 1830 GMT 26 Feb 93

[Interview with Goran Hadzic, president of the Republic of Serbian Krajina, by Dragan Remecki on 26 February; place not given—recorded]

[Text] Several personnel changes in the Government of the Republic of Serbian Krajina were followed by contradictory statements by certain leading people in the Krajina Republic. It looked as if the Serbs have started to quarrel again at a bad time, and in the midst of Croatia's aggression on Krajina. There were various appeals for unity of the leadership and people of Krajina, and for closing ranks. Have the misunderstandings been overcome? Here is what Goran Hadzic, president of the Republic of Serbian Krajina, today said to Novi Sad Television.

[Hadzic] We met, all of us who allegedly had some misunderstandings, and after exchanging views we concluded that there are no misunderstandings whatsoever and that we are completely united. When I say completely united, I primarily refer to the political leadership and the army leadership. We have achieved full unity. Perhaps it is good to stir up a bit of dust and have some things come to the surface. This will probably result in some personnel changes—which you asked about—in the government and the leadership. It is necessary for new people to come solve the problems we are working on in a more successful way.

[Remecki] All who bear good will to the Serbian people in general, and particularly the Serbian people in the Republic of Serbian Krajina, are welcome. There are those who are not welcome.

[Hadzic] Everyone is welcome. There is no one who is not welcome. I am using this opportunity, as I used many other opportunities in the past, to invite everyone. Those who are not capable of fighting do not have to fight. We need educated people. We need help in every respect because we now have talks in Geneva where we will raise the issue of the economic development of Krajina. We need educated people to return to Krajina.

UN Spokesman Confirms Croatian Radio Censorship

LD2802180493 Belgrade TANJUG in English 1735 GMT 28 Feb 93

[Text] Belgrade, Feb 28 (TANJUG)—Croatian Radio on Friday [26 February] refused to broadcast a five-minute programme of the U.N. Protection Force (UNPROFOR) in which an UNHCR [Office of the UN High Commissioner for Refugees] official spoke of a transfer of 367 Croats from the U.N.-protected sector south to the Croatian Adriatic town on Zadar, and gave some basic facts concerning the UNHCR mission, the Belgrade daily POLITIKA EKSPRES writes on Sunday.

The paper quotes UNPROFOR spokeswoman in Zagreb Shannon Boyd as saying that this was the eighth time UNPROFOR's broadcast had been banned by Croatian Radio. Asked whether this was censorship, Boyd answered 'yes.'

Replying to a reporter's question whether this had ever happened in Belgrade, Boyd said Belgrade Radio had never refused to broadcast any UNPROFOR programme.

All media in the former Yugoslav Republic of Croatia are subject to censorship.

U.S. Humanitarian Aid Experts Arrive in Zagreb

LD2702212193 Belgrade TANJUG in English 2032 GMT 27 Feb 93

[Text] Belgrade, Feb 27 (TANJUG)—A group of 14 humanitarian aid experts of the U.S. State Department and the Pentagon on Saturday [27 February] arrived in the Croatian capital Zagreb for a ten-day visit to the former Yugoslavia aimed at evaluating humanitarian aid needs in civil war zones.

REUTERS reports that the expert team is made up of nutritionists, engineers and other specialists.

A spokeswoman for the U.S. Embassy in Zagreb said the team would be travelling to as many accessible areas of war-torn Bosnia as possible.

REUTERS says the team is also due in Split, Sarajevo and Belgrade.

Serbs Reportedly Hit Ferries in Maslenica Area

LD2702215493 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 27 Feb 93

[Report by Toni Pajkin in Zadar]

[Excerpt] Serb paramilitary forces today launched their fiercest attacks on the Novigrad Straits, hitting and damaging ferries linking the banks of the Novigrad Straits. Traffic has therefore been suspended, only three days after this important communication link between northern and southern Croatia was established. The Croatian Army effectively responded to the attacks precisely and briefly by pounding the aggressor's military facilities. The enemy was silenced.

It comes as no surprise, but it is worth mentioning that today's attacks, as well as previous ones in the Maslenica area, were directed exclusively against civilian facilities. [passage omitted]

TANJUG Reports Continued Croat Attacks

LD2802135793 Belgrade TANJUG in English 1331 GMT 28 Feb 93

[Text] Knin, February 28 (TANJUG)—Croatia's aggression against the southern parts of the Republic of Serbian Krajina, a United Nations Protected Area (UNPA) continues. Fierce battles were fought on Mount Velebit and in the Skradin hinterland during Saturday [27 February] night and Sunday morning, said the Republic of Serbian Krajina Army Command on Sunday.

The statement says that Croatian forces with strong artillery support had tried to break through the Republic of Serbian Krajina line of defence, but that all attacks had been strongly repelled.

Serbian forces advanced two kilometres during Saturday's battles on Velebit, as learned.

Fierce, mostly artillery attacks continued in the Skradin hinterland. Battles have not abated in this sector for several days, and judging by the Republic of Serbian Krajina Army Command statement, culminated during the night between Saturday and Sunday.

Battles continued in this area on Sunday morning, and the Republic of Serbian Krajina Army retained the frontline.

The statement adds that Croatian artillery continued to pound Serbian settlements and civilian facilities, and that settlements in the Skradin hinterland came under very heavy fire.

There were Croatian army provocations in other parts of the Republic of Serbian Krajina, in the area of Banija and Kordun which are UNPAs in Sector North.

On January 22, the former Yugoslav republic of Croatia launched an aggression against the southern UNPAs and continued attacks in spite of two demands by the United

Nations Security Council to stop the offensive and return the troops to their initial positions.

Capability, Weapons Supply of Croatian Army

93BA0576A Belgrade NIN in Serbo-Croatian 5 Feb 93
pp 14-15

[Article by Aleksandar Kadric: "Whose Machine Gun?"]

[Text] "The battle near Maslenica has shown how a military force has been created in the south of Europe, in Croatia, which will be the guarantee of our independence!" It is with this sentence that NOVI VJESNIK of Zagreb began an article published recently in which it very enthusiastically glorified the Croatian Armed Forces, their military might, and their successes on the battlefield.

Even if we leave aside this journalistic war cry, it is more than clear that the armed forces of the Republic of Croatia are the subject of many analyses and assessments, especially in the recent past. In all of this, there are usually two extremes—from underestimating Croatian military power (as is done by the British INDEPENDENT, for example) all the way to exaggerating it quite unjustifiably, to which some of the media here are inclined. What at the moment is the real strength of the men whom Croatia has under arms, and how will they develop in the near future?

It all began with Spigelj's famous involvement in the illegal importation of kalashnikovs from Hungary, but today there are some 15 states actively involved in supplying (again illegally) war materiel to the Croatian Army. In most cases, the transactions take place through "third" countries, so that it is really difficult to altogether figure out the origin and channels through which military goods arrive in the former Yugoslav republic. It is being mentioned that last year about \$350 million went from Croatia into the pockets of various world middlemen and arms dealers. However, those who are informed believe that the actual amount spent for these purposes is several times greater, even when we take into account that some of the military equipment was delivered on the basis of deferred payment and some was made available for certain Croatian services in return.

From the Storehouse of the Yugoslav People's Army [JNA]

Because of the more difficult conditions of procurement (the UN embargo is still in effect, at least officially), the Croatian Army often seems like an exhibition of arms and military equipment from all over the world. Its members wear American uniforms, but also the uniforms of both German states. Although at one time it had loud promotion in the media, the SAR-80 [Singapore automatic rifle] has not been used all that much. The personal weapon of the Croatian soldier is mainly one of the Yugoslav or foreign versions of the kalashnikov automatic rifle.

One can also see in the ranks of the Croatian Army things that are outdated and are no longer in the arsenals of certain foreign armies. Thus, at one time it was a "pig in a poke" to buy 60 Leopard-1 German medium tanks. Unloaded in the port of Rijeka on 19 December of the year before last, at that moment they certainly represented an important stimulus to Croatian war efforts. As a matter of fact, the combat value of these armored vehicles is fairly problematical, as was quickly demonstrated in practice.

In spite of these occasional experiments, most of the heavy armament of Croatian units come from the open warehouses of countries which until recently were members of the Warsaw Pact: Hungary, the former East Germany, Czechoslovakia, and Poland. What arrives from the republics of the former Soviet Union is procured on the international war materiel "market." The JNA had a good portion of those combat systems or they were produced under license in Yugoslav factories, which significantly shortens the time necessary to train the personnel who will use them.

It is of interest that "Spigelj's channel" is still operating effectively. In just one trip from Hungary, the trucks brought 2,000 kalashnikovs, 600,000 rounds of ammunition for them, along with 200 RPG-7 bazookas and 2,500 projectiles for those bazookas. The whole deal was concluded through a private firm with headquarters in Budapest, but the goods were delivered from Poland.

In addition to the abundant world arms market, at the time when the Croatian Army was being born, certain officers of what at the time was the JNA did more for it than all the foreign suppliers together. They turned over entire armored brigades, artillery regiments, and warehouses of war reserves to the local people.

According to certain sources, about 2,000 Strela-2 M anti-aircraft missiles were also confiscated in this way on the soil of Croatia. It is not difficult to relate this figure to subsequent casualties suffered by the Yugoslav Air Force.

All the ships in the Croatian Navy are also former "property" of the Yugoslav Navy. One of the two missile gunboats that supported the recent attacks on Serbian Krajina had been "forgotten" on the ways of the Velimir Skorpik Repair Shipyard in Sibenik, while the other was built in Kraljevica. The latter, armed with Swedish RBS-15 anti-ship missiles, was completed by Croatia and launched with the name King Peter Kresimir IV.

How Many Airplanes

Aside from quite a few weapons and equipment, Croatia also "inherited" from the JNA a sizable portion of its present officer corps.

There are increasingly frequent cases where officers who came over are losing the positions which they held until recently in their new environment. In some units, this is taking on the proportions of a purge. By all appearances,

the removal of Anton Tus, former commander of the Yugoslav RV i PVO [Air Force and Air Defense], is also a part of the settling of these internal accounts.

The lack of combat aircraft compelled the authorities in Zagreb back at the height of the 1991/92 war to offer every Yugoslav pilot a reward of \$200,000 to come over to their side. Such appeals are no longer being made today, but the deserter-pilots have been mentioned again recently.

In answer to the question of a British TV journalist as to how Croatia was procuring combat planes in spite of the UN embargo, Gojko Susak, Croatian defense minister, said: "We have only two planes which our pilots brought from the air force of so-called Yugoslavia. If you prove to me that we have bought even one aircraft anywhere, I am ready to suffer all the international sanctions!" Mr. Susak was right. Arms trade is still very difficult to prove, but the 20 or so MiG's that have reached Croatia (most probably from the former East Germany) speak for themselves.

Aside from the arms which it already has and the deliveries it has contracted for, Croatia also wants to see in its arsenal at least 300 T-72 tanks, MiG-21 and MiG-29 combat planes, transport planes, and helicopters, antitank and antiaircraft missiles, 105- and 155-mm howitzers, multibarrel rocket launchers, radars....

Armed Forces of the Republic of Croatia

1. Personnel: 150,000 active and 110,000 in reserves
2. Army: About 270 T-54, T-55, T-72, and M-84 tanks (delivery of about 120 T-72 tanks contracted for); 380 armored personnel carriers (150-200 armored personnel carriers contracted for); over 800 artillery guns for support (multibarrel rocket launchers, 76 203-mm cannons and howitzers, 60 120-mm mortars); About 600 various antiaircraft guns
3. Air Force: about 25 MiG-21's; about 40 armed agricultural planes; 24 helicopters (delivery of another 24 contracted for); Delivery of 4 training planes contracted for.
4. Navy: Small commando submarine; 2 missile gunboats; 2 missile patrol boats; Torpedo boat; 34 other vessels; coastal artillery guns, 85 130-mm

The information was compiled on the basis of figures from informed sources.

Data on Croatian Weapons Supply

93BA0609B Zagreb NOVI VJESNIK in Serbo-Croatian
7 Feb 93 pp 16-17

[Article by Fran Visner: "The Rebels Do Not Have a Chance"]

[Text] Thoughts differ in our country and in the world about how strong the Croatian Army [HV] is. They range

from estimates very close to the true numerical and technical might of the Croatian armed force, and then figures minimizing the size of the Croatia military, all the way to exaggerated estimates that try to prove that the embargo on importing weapons is not affecting Croatia at all.

The International Strategic Research Institute in London (an international nongovernmental institution) says that the Croatian Army has about 200 tanks, 200 armored personnel carriers, several hundred artillery pieces, and mobile air defense missile systems; the same source says that the Croatian Air Force [HRZ] actually has no warplanes except for several small An-2 transport planes and Mi-8 helicopters (the MiG-21's flown over to our side are not mentioned). In the Croatian Navy [HRM], along with several small ships armed with Swedish and Russian ship-to-ship missiles, one submarine is also operational.

British and Swedish official military sources believe that Croatia has nevertheless managed in the last year to purchase heavy weapons for 600 million marks [DM], and today has 300 tanks, 380 armored personnel carriers, 2,500 light antitank guns and launchers (missile launchers, recoilless cannons, single antitank launchers, and guided antitank missiles), and 820 artillery guns, including 10 Russian self-propelled missile launchers with 5,000 missiles. The HRM has two missile boats and four patrol boats; it also has a gunboat, six assault landing boats, and five torpedo boats, and one or two minisubmarines for commando operations (bathyscaphes). At the same time, the HRZ has procured abroad (it still has not brought them into the country) 25 MiG-21's (Models PF, F, M, Bis, trainer-type U), 40 propeller planes, and 25 Mi-8 and Mi-24 helicopters (negotiations are said to be continuing concerning MiG-29 fighters). Much the same is true of the 120 T-72 Russian tanks, surface-to-surface missiles, and multiple rocket launchers being purchased by Croatian ground force units.

Valuable M-84 Tanks

Regardless of the accuracy and correctness of the data coming from abroad, our analysis of the heavy weapons possessed by the Croatian Army provides this picture. The basic Croatian tank is still the Russian T-54, as well as the T-55, which are the most numerous (including the PT-54/55 mine-clearing tanks, Models KMT-4/5 and BTU). The interior of these tanks has been redone to some extent, the external appearance has been touched up, and the turret and chassis have been painted a different color and given different markings than the original. The 100-mm tank cannon has remained the same; and also the heavy 12.7-mm and the usual 7.62-mm tank machine guns. The old Russian T-34 medium tank is also being used (it has an 85-mm cannon, and sandbags are hung on the turret for protection against small-caliber shells). Most valuable are the M-84 tanks of Yugoslav origin, which are the best, and purchasing the T-72 tank is quite logical (the M-84 is an improved

license of the basic T-72 model widespread in East Europe: it has the same cannon, 125-mm, machine guns, and protective armor).

The largest number of different models is among the armored personnel carriers and self-propelled guns (BOV-1, BOV-3, BRDM-2, Tatra M-53/59, M-80, M-83, M-60P, BTR-40, BTR-50, etc.). Not a single armored personnel carrier armed with 20- and 30-mm cannons is having a problem with ammunition (it is being produced in large production runs in Croatia), and much the same is true of ammunition for the 40-mm antiaircraft guns and shells for the 60-, 82-, and 120-mm mortars. Recoilless 82-mm cannons or AT-3 (Malyutka) guided antitank missiles are mounted on most of the personnel carriers (crawler and wheel). The Russian self-propelled M-1974 (SAU-122) 122-mm howitzer, which particularly distinguished itself in Hercegovina, is dominant among the self-propelled guns.

The Power of Rocket Artillery

Croatian artillery has nothing to fear. It possesses 76-, 85-, 100-, 105-, 122-, 130-, 152-, 155-, and 203-mm cannons and howitzers, including 128-mm multiple rocket launchers (of Yugoslav origin, Plamen and Oganj types, and also domestic models). The firepower of Croatian rocket artillery has also been bolstered by the excellent 122-mm self-propelled multiple rocket launchers of Russian (Model BM-21 on the Ural-375 truck) and Czech origin (Model RM-70 on the heavy Tatra T-813 truck); they have 40 launching barrels and a range of 20.4 km, so they have a superiority over the Serbian mobile model, the VBR M-77 Oganj (32 barrels, range up to 20 km).

Not counting the captured Yugoweapons, the Croatian infantry is armed with the Russian Makarov 9-mm ("short") and Czech CZ-85 9-mm ("long") pistols, along with some 20 other different models (according to personal affinity). Among automatic weapons, the most common are the M-61 Scorpion light machine guns of Czech origin (7.65-mm), but also a machine gun made in Argentina (the PAZ-DM, 9-mm). The Argentine FNLAR 7.62-mm automatic rifles and various rifles from the Heckler & Koch series are also obligatory.

Among Russian weapons, the RPG-7 and RPG-16 bazookas are very common and very good, and the heavy two-barrel and four-barrel ZPU-2 and ZPU-4 14.5-mm machine guns are effective; the Serbs do not have such guns in their arsenal. Croatian units protect themselves from air attack with the light Strela 2M portable antiaircraft launcher and the SAM-9 Gaskin mobile antiair missile system (range 5-8 km) and SAM-13 Gopher (range 10 km)—all of Russian origin.

Seven Professional Brigades

The equipment described is constantly handled by 105,000 Croatian soldiers. It is uniformly distributed among seven professional motorized infantry brigades (each has 3,500-4,500 men), two mechanized armored

brigades (each with 5,500-6,000 men), and 22,000-25,000 conscripts doing 10 months of required military service. In addition, Croatia is able to completely equip and arm another 100,000 men from the reserves, and when the professional and reserve police are added to this, one arrives at a realistic figure which is at the same time a guarantee of Croatian independence—217,000-220,000 men, which is a respectable balance even compared to the main Serbian strategic forces.

Accordingly, the rebel Serbian militia in the "krajinas" and paramilitary volunteer detachments from Serbia have no chance whatsoever against the new Croatian Army that has been drilled in Western fashion and armed with diverse weapons.

General Tus on Origin of Croatian Army

93BA0609A Zagreb NOVI VJESNIK in Serbo-Croatian
7 Feb 93 p 16

[Article by Zeljko Buksa based on lecture delivered by Corps General Anton Tus, chief military adviser to the president of Croatia: "The War Was Won by Blockading the Garrisons"]

[Text] The Croatian Army [HV], today very respectable and effective, in fact sprang from nothing. At the outset it had neither men nor armament nor garrisons nor organization. It did not even have the legal basis for its own creation, and many do not know that actually it all began with a clever trick.

Corps General Anton Tus, chief military adviser to the president of the Republic, spoke about this the other day in an interesting lecture he delivered in the Croatian Cultural Club that was entitled "The Phenomenon of the Birth of the Croatian Army—Defender of Independent Croatia."

"Because of the rise of Serbian expansionism, the disintegration of the former Yugoslavia was inevitable. The JNA [Yugoslav People's Army], which existed at that time, was preparing for this, because it felt responsible for the survival of Yugoslavia and communism. That is why it was ready even to start a war against another part of the former Yugoslavia attempting to separate. Thus, under the disguise of protecting Yugoslavia, they actually intended to aid the creation of an expanded Serbia," Gen. Tus said.

As he put it, in 1990 the JNA consisted of 60 percent Serbs, 20 percent Yugoslavs, only 7-8 percent Croats (about 3,500), and the rest were representatives of other nationalities, which makes it clear why the army had a pro-Serbian orientation. The defense industry was distributed just as unfavorably. More than 40 percent of its installations were in Serbia and Bosnia-Hercegovina [B-H], and only about 6 percent in Croatia. Along with all that, on the eve of the aggression all weapons were taken away from Croatia's Territorial Defense [TO].

Military Nuclei in the MUP

Because under the law Croatia was not allowed to establish its own army, the Croatian Government decided to establish it through the MUP [Ministry of Internal Affairs], and so the nuclei of the ZNG [National Guard Corps] originated in the ranks of the police. The necessary weapons were procured at the same time, and our own production developed. Because of a lack of confidence in the TO, which at that time was still led by officers of the JNA, in the spring of 1991 their staffs were reorganized, and everything started with volunteer detachments and the reserves of the MUP. They were the nuclei for the first several brigades and other units of the Croatian Army, and soon the very sizable National Protection was also founded.

In the early summer, the brief war occurred in Slovenia, and only after that did reserve units of the ZNG begin to be formed and arms production bolstered. On 30 July 1991, the ZNG command, headed by Gen. Martin Spegel, was established, and chief of staff was Imra Agotic, at that time a colonel. That September, President Tudjman made a decision establishing the HV General Staff [Glavni stozer], and Corps Gen. Anton Tus was appointed its chief. The open attack of the "JNA" on Croatia began on 21 September after the Yugoslav defense minister at the time declared war on Croatia.

The first tasks of the General Staff were to form six zones of operations and operational sectors and groups within them. By 1 October 1991, 24 brigades had been formed and another 10 were being established. Near the end of that year the HV had already grown to about 200,000 fighting men in six zones of operations (corps), with 63 brigades and a navy, air force, and air defense.

Crucial Battles

The embargo on importing arms is the main reason why general mobilization was never declared in Croatia. There were not enough weapons for everyone. The key decision, then, was the September 1991 blocking of all the enemy garrisons, which soon began to surrender with all their weapons. Because most of the members of the police and guards were already at the front at that time, members of National Protection mainly had the duty of blockading the garrisons, and every garrison was controlled by between 200 and 400 people.

It was because of the timely and complete blockade that the first attempt of the Yugoarmy to break out of the garrisons failed. The entire Varazdin Corps of the "JNA" was disarmed, and the Zagreb and Rijeka Corps were blockaded, but several others attacked us from outside. That blockade and the taking of the garrisons was one of the crucial battles for Croatia, because it occurred at the best moment.

In that way, we captured 230 tanks, more than 400 heavy artillery pieces, coastal artillery, several warships, and a large amount of light weapons. In Zagreb alone, we

captured 38,000 guns and 20 million rounds of ammunition, which made it possible to establish 11 Zagreb brigades, and much of this was sent to Vukovar and other crisis areas. A large new operation of the Yugoarmy began on 5 October 1991. Their plan was to attack us from outside with strong forces and at the same time to attempt to break out from the blockaded garrisons in order to take Sisak, Karlovac, and Zagreb and in that way completely defeat Croatia. As we learned later, NATO specialists estimated at that time that Croatia would fall in just seven to 14 days.

The so-called JNA felt that in addition to Sisak and Karlovac, as soon as they broke through to Jastrebarsko and the Zagreb Airport they would quickly capture Zagreb and that would end the war. The most essential thing for us, then, was to halt the enemy penetration with everything we had and defend those cities. Gen. Tus said. In the end, we were able to do that, so that the "JNA" did not even manage to break out of the blockaded garrisons, much less occupy all of Croatia. That was the most important period of the war.

The Memorandum War

After that, the aggressor gave up on the occupation of all of Croatia and attempted to at least achieve the goals set forth in the Memorandum and to capture parts of Croatia to the Karlobag—Karlovac—Virovitica line. That is why the next large battle was for eastern Slavonia and its cities: Vinkovci, Osijek, and Vukovar. Although in the end the Yugoarmy temporarily took Vukovar, thanks to its stalwart defense, the enemy breakthrough at Osijek was thwarted. Several enemy corps and an elite guard division were kept at Vukovar for months, and about 600 of their armored vehicles were destroyed.

One of the big mistakes of the Yugoarmy concept was in not going further in their penetration and capturing the surrounded cities later. They wanted instead to first clear the entire territory captured and destroy everything that was Croatian. The basic thing for us, Gen. Tus said, was to keep the people in the cities of eastern Slavonia.

Thus, in spite of the fall of Vukovar, in October and November 1991 a strong enemy offensive was broken, and this was a great victory for the HV. The Yugoarmy at that time admitted 3,600 killed, but we know from reliable sources that about 8,000 died on the battlefield in eastern Slavonia. We lost 1,800 of our fighting men on that battlefield, but probably a majority of the 2,600 missing civilians were also killed.

Yet another large enemy offensive followed in November and December with the successful defense of the Neretva Valley, which the aggressor attempted to cross in order to reach the port of Ploce and Dubrovnik. After that, the HV took the offensive and began to liberate western Slavonia, but that successful action, and also the plans already made for liberating Knin from several directions, were interrupted by the signing of the truce, adoption of the Vance Plan, and the arrival of the UNPROFOR [UN Protection Force].

U.S. Planes Permitted To Use Airspace

LD2602150093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1423 GMT 26 Feb 93

[Text] Ljubljana, 26 Feb (TANJUG)—The Slovene Government has allowed U.S. planes, which will deliver humanitarian aid for Bosnia-Herzegovina, to use its airspace.

The Slovene Government replied to the U.S. request to use its airspace, but the Slovene decision was announced only after Prime Minister Janez Drnovsek had informed foreign journalists that Slovenia was supporting Clinton's plan.

U.S. flights will be announced six hours in advance, instead of the usual 24-hour period.

Czech Foreign Minister Holds Talks With Kucan

LD2602050893 Prague CTK in English 1957 GMT 25 Feb 93

[Text] Ljubljana Feb 25 (CTK)—The Bosnia conflict cannot be solved through the use of outer military force, Czech Foreign Minister Josef Zieleniec and Bosnian [title as received] President Milan Kucan agreed in their meeting in Ljubljana today.

The mechanism of the conflict probably causes that an outer military solution is hindered by the impossibility to give the troops clear orders and to orientate them at clearly-defined targets, Zieleniec told journalists.

On a day-long visit to Slovenia, he said that the Czech Republic's active share in the solution of the Bosnia conflict would be linked to the effort of the international community.

It is also necessary to try to persuade the parties concerned in the conflict to accept international solutions, Zieleniec said.

He described his meeting with Slovenian Premier Janez Drnovsek a polite one. We briefly reviewed our countries' relations. The list of what we have done and what we are planning to do was optimistic, Zieleniec said.

Jelincic Defends Role in SNS, Plans Congress

AU2502202693 Ljubljana DELO in Slovene 16 Feb 93 p 2

[Report by Joze Biscak: "People From the Street Attended the Party Congress"]

[Text] Ljubljana, 16 February—The quality of the membership of the Slovene National Party [SNS] improved with the departure of the deputies who represented a coffeehouse policy, former party President Zmago Jelincic said in regard to the special SNS congress. He presided at today's news conference as well, as he does not recognize the decision of the no-confidence motion passed at the congress.

Zmago Jelincic referred to the congress as "the congress of the former members, that is to say, the nonmembers of the SNS who consider themselves the founders of the party. That is a lie, as these gentlemen are not mentioned in the founding charter," he said.

"A group of people could, for example, come to Ljubljana by train from Metlika, organize a congress of the Slovene Christian Democrats, and depose Lojze Peterle and Ignac Polajnar," was Jelincic's example to illustrate that the only true SNS is the one he leads, and that the usurper congress was convened by people off the streets and renegades led by Marjan Staric.

Jelincic also attacked the SNS faction led by Saso Lap, alleging that they took advantage of the taxpayers' money, using an official fax machine and Slovene parliament services to send invitations and calls for the congress.

Apart from Jelincic, there were other members of his group of deputies who appeared (Joze Kopse, Rafael Kuznik, Ivo Verzolak, Andrej Lenarcic, Polonca Dobrajc). They were recently very busy, checking the support for Zmago Jelincic among the members of the individual regional committees. Written statements from the members show that the majority of them support Jelincic.

Jelincic did not deny that he had discussed the formation of the SNS (when he was still a member of the Social Democratic Party of Slovenia) while traveling to the sixth conference of the Social Democratic Party with Marjan Stanic, Stane Zagar (mayor of Siska commune), Ferdinand Debeljak, and Matija Selehar, but that was apparently of no crucial significance.

Jelincic also said that the process SNS versus SNS will not take place, as the court would have nothing to decide. The only SNS is the one he leads. That is why he will call the congress in March, he says.

Federal**Outgoing UN Commander Received by Cosic**

LD2702142293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1240 GMT 27 Feb 93

[Text] Belgrade, 27 Feb (TANJUG)—Dobrica Cosic, president of the Federal Republic of Yugoslavia, today received in the Palace of the Federation in Belgrade the Indian General Satish Nambiar, who is leaving his position as Commander of the UN Protection Force [UNPROFOR] for the territory of former Yugoslavia on Tuesday [23 February].

President Cosic's press adviser Dragoslav Rancic informed journalists that during the Cosic-Nambiar talks, which were also attended by Federal Prime Minister-designate Radoje Kontic, the Yugoslav president bade farewell to Nambiar and expressed gratitude to him for everything he has done.

Cosic expressed the hope that equally successful cooperation will be established with Nambiar's successor, Rancic said.

According to Rancic, Nambiar thanked the FRY Government for its help, and stressed that holding the position of UNPROFOR commander for one year was an exceptional experience and the peak of his career.

Nambiar stressed that he is leaving with the feeling that UNPROFOR has achieved something, and expressed the hope that peace will return to this region.

President Cosic asked Nambiar to convey to UN Secretary General Butrus-Ghali the FRY's desire to keep UNPROFOR in this region as long as possible, Rancic said. General Nambiar said UNPROFOR's presence is necessary. He expressed the hope that the blue helmets will become more efficient.

According to Rancic, Nambiar said sporadic fighting has been going on in the area between Mount Velebit and Zemunik [in Croatia], but pointed to the possibility of the conflict escalating, because both sides have concentrated strong forces along the front line.

Cosic said he does not clearly understand UNPROFOR's role in Macedonia, and to this Nambiar replied that he is not in a position to interpret political solutions, Rancic stressed.

The Yugoslav president's press adviser said Nambiar's assessment is that Macedonia is not threatened from the north, from the Federal Republic of Yugoslavia, but that there are groups ready to cause problems and destabilize the situation.

After his meeting with Cosic, General Nambiar gave a news conference, during which he explained that he is leaving the post of UNPROFOR commander for personal reasons.

He said he has not resigned but that his one-year UN mandate has expired. He added that he turned down with regret Butrus-Ghali's request to remain commander of the blue helmets.

Nambiar described as exceptional his cooperation with all assistants and colleagues, most of whom are to remain within UNPROFOR.

The Indian general said he is satisfied with the results of the blue helmets' mission, assessing as the most important achievements the successful deployment of troops, the prevention of large-scale conflicts in UN protected zones, and the securing of humanitarian aid distribution in Bosnia-Herzegovina.

"A great deal more needs to be done, and my colleagues will see to that," Nambiar said, adding that he is leaving the territory of former Yugoslavia on Tuesday.

Possibility of U.S. Airspace Violations Viewed

AU2602204293 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 26 Feb 93

[Interview with Colonel Ljubodrag Stojanovic, head of the Information Service of the Army of Yugoslavia, by Ivica Milosavljevic; place and date not given—recorded]

[Text] [Milosavljevic] Two days ago the General Staff of the Army of Yugoslavia assessed the situation wherein the U.S. Administration had decided to parachute humanitarian aid to Bosnia-Herzegovina. Meanwhile, the U.S. Administration has changed its original plan to some extent. What do you think of these changes?

[Stojanovic] With regard to the assessment of the General Staff, in my view there is nothing new, nothing dramatically new, despite the fact that the U.S. Administration has changed some of its original views which were, from the military standpoint, radical.

This decision has psychological significance only, in the sense that it is reducing tensions arising from considerations of the possible consequences of a given incident occurring during the delivery of this aid.

Otherwise, virtually nothing has changed from the so-called ethnic standpoint on the delivery of aid. The Americans, regardless of their latest decision to deliver aid to all sides equally, have decided in advance that this aid is needed by Muslims. They have decided in advance that the culprits in case of an incident will be punished and that these culprits, on the basis of a sentence that has already been passed, will be Serbs. It is expected that if anyone were to hinder humanitarian help, it would certainly be the Serbs.

In view of everything, the meaning of Washington's pulling away following various international warnings, according to the statement by our General Staff, is in fact an attempt to convince public opinion that the new administration is determined to see this through, but with great caution—to avoid what could happen despite

every effort to avoid it. Despite every precaution, the risk of an incident is still very high.

[Milosavjevic] Incidents are possible in any case, especially because the planned flights will be mainly over eastern Bosnia, in the region that borders the territory of the Federal Republic of Yugoslavia. Large transport planes do not have great maneuvering capability. Is violation of the airspace of the Federal Republic of Yugoslavia a possibility; what would happen if this occurred? How would the Army of Yugoslavia react?

[Stojanovic] Incidents are possible in this situation. There could be deliberate incidents or provocations, and accidental incidents, especially since the planes will fly mainly overnight. In such conditions, orientation is not absolutely reliable, despite all the navigation instruments and modern electronics. Violation of the airspace of the Federal Republic of Yugoslavia is therefore a possibility.

The General Staff of the Army of Yugoslavia has drawn its attention to this, too. In the airspace violation case the procedure is known. If it is an accidental violation, there is first a warning; subsequently one acts according to the rules of combat action.

Commentary Questions U.S. Peace Plan

AU2602182093 Belgrade VOJSKA in Serbo-Croatian 18 Feb 93 p 16

[Commentary by Dragan Vuksic: "Approximate Balance of Interests"]

[Text] The views of the new U.S. Administration about the war in Bosnia-Herzegovina were expected with impatience and anxiety. The parties to the conflict and all sides involved in the search for a solution to this conflict waited for the U.S. views. When Secretary of State Warren Christopher—after a certain hesitation, which can be excused by the fact that the new administration is very busy, but it is also possible that this hesitation is tactical—at last announced the U.S. six-point plan, an avalanche of commentaries and statements followed. In our opinion, this plan deserves careful analysis because nothing can happen overnight, and because documents often remain only "a dead letter" with the practice becoming something completely different.

1. The U.S. is actively and directly joining the negotiations led by Vance and Owen in order to help find a solution acceptable by all warring parties. The U.S. supports the previous efforts of the UN and the European community. Ambassador Bartholomew has been appointed mediator on the U.S. side. He was presented as a top diplomat, a long-time assistant to Vance, and a politician who has held high positions in former administrations.

Nothing unacceptable or unexpected is said in this part of the U.S. plan. On the contrary, the results reached so far have been accepted, and the U.S. participation in the

peace talks should only expand and accelerate these results—which has been expected.

2. The second point says that the negotiations are the only way to bring the conflict to an end; that only a voluntary, and not a forced solution can be put into effect and last; that all parties have to be ready to accept solutions which will not enable them to achieve all their aims, and that the main responsibility for an acceptable solution lies with the warring parties.

An educated and realistic politician should have nothing against these principles. The heart of the matter, however, does not lie in proclamations, but in their realization. It means that these principles should be consistently and neutrally applied on all three parties to this conflict. In this respect, the model given by the U.S. will surely be decisive.

3. Compared with the first two points, the third is completely different in its content and overtone. In this point, all of a sudden, the principle of equal responsibility and the search for a peaceful and just solution is transformed into threats toward Serbia, including the tightening of economic sanctions and intensified pressure, in order to avert it (Serbia) from war. All this in cooperation with Russia and others. What is more, the Serbs are warned that there is going to be reaction against them if they provoke a conflict in Kosovo.

All commentary is superfluous. We hope that the authors of the plan are going to recognize that these principles and good intentions cannot be put into effect if one side, defined as "the Serbs," is separated from the others and put under stronger pressure before the implementation of the plan starts. It remains to be seen whether America is really going to act like this, or whether this is only another "anti-Serbian ornament" still used to decorate each of the U.S. documents and statements.

Apart from that, the last moves made by Moscow show that Russia is less and less ready to contribute to the economic pressure on Serbia. These are perhaps not the ideas of Russian politicians, but reflect the attitude of the Russian parliament.

4. There is almost nothing of importance in this point. The appeal for an end to shelling and the use of other weapons is formal and nondescript. The information that the no-fly zone over Bosnia-Herzegovina will be defended by force if necessary does not make sense if we know—and this was also confirmed by the Security Council secretary general—that this ban has been obeyed lately, primarily because of humanitarian reasons. One of the measures expected of the mighty and rich U.S. is surely expansion of the humanitarian aid, but it is also expected that this aid will be divided equally among all three parties to the conflict.

The request to establish a tribunal for war crimes at the UN represents an insistence on something which is inappropriate and senseless as long as the war is not over and as long as the assessment criteria of what is a war

crime in the multi-national and religious war in the former Yugoslavia have not been defined. These criteria have to be defined more precisely and objectively than has been the case with the criteria obtained from the U.S. so far.

5. The readiness of the U.S. to secure the implementation of the agreement acceptable to all parties in cooperation with the UN and NATO if necessary, deserves attention. This would be good if it is applied as it is written. It is really necessary to apply force to the party which is not going to put into effect the agreement it accepted voluntarily. This means, however, that all the principles stated in points one and two of this plan have to be applied in the process of finding a solution.

6. In order to make the U.S. plan sound more important, it is stressed that President Clinton consulted all interested sides, especially the Russian President Yeltsin. What remains unclear, is the idea of Clinton's envoy Bartholomew, going to Moscow and practically mediating between the U.S., Russia and the Conference on Yugoslavia. This was not acceptable to Russia, which is proven by the fact that before Bartholomew came to Russia, the decision to have its own representative Vitaliy Churkin had already been taken. If Russia had not done this, it would have made a serious political mistake. The role of Russia would have been reduced to advising the U.S. when this is required and to the extent it is required by the "big boss."

It has to be added that a much larger part of the plan is dedicated to the humanitarian needs and risks of war expansion than to U.S. strategic interests. It remains to be seen if this is pure coincidence, something new, or if future strategic interests are going to be realized by solving such problems. As far as the use of force is concerned, the plan says that the Muslims should not be supplied with weapons and that the use of air forces would not be sensible and effective.

Based on these facts, several conclusions can be offered and several questions asked:

- The U.S. plan is basically a positive and acceptable document, milder than the earlier U.S. Administration attitudes and the Clinton statements in the election campaign—even contradictory in its contents.
- The policy of using force in order to reach a solution is abandoned; negotiations are preferred. The supporters of the idea that Bosnian Muslims have to get weapons and that force has to be used are disappointed.
- The Vance-Owen plan is basically accepted; it only has to be extended in cooperation with all interested sides and all parties to the conflict.
- Russia's joining of the negotiations means an approximate balance of interests of the warring parties. It remains to be seen if the main problems are going to be solved between Washington and Moscow, in the context of their strategic interests in the Balkans.

—We wonder why the plan speaks about Kosovo and Macedonia, about the danger that the war could spill over to Albania, Greece and Turkey, and why, on the other hand, the possibility that the war in Croatia could be resumed is not mentioned at all, although the aggressor Croatia attacked the Republic of Serbian Krajina, that is to say, the UN-protected zones. This is even more indicative since the UN Security Council should implement Resolution 802 soon, with the aim to fulfill the conditions for the UN peace forces mandate in the former Republic of Croatia. Does America believe that it is possible to treat the Serbian problem separately in Bosnia-Herzegovina and in Croatia? If this is true, that is not in the interest of the Serbian people in the former Yugoslavia.

Report Details Mercenaries in Croatia, Bosnia

LD2602140393 Belgrade TANJUG in English 1221 GMT 26 Feb 93

["Pool" item]

[Text] New York, February 26 (TANJUG)—Despite the bans, weapons and foreign mercenaries were arriving from all quarters to join the Croatian and Moslem forces in the former Yugoslavia, said a Yugoslav U.N. mission report that was circulated Thursday [25 February] as a Security Council official document.

The document gives detailed evidence on the suppliers, types, times and manner of arms deliveries from a long list of illegal shipments from Chile, Germany, Austria, Hungary, Pakistan and other countries which were sent although the U.N. Security Council introduced an arms embargo on the territory of the former Yugoslavia.

The shipments, some of which never reached their destinations, consisted of anti-aircraft and anti-tank weapons, airplanes, helicopters, tanks and other types of weapons and ammunition.

In some cases the shipments were very large: those from Chile were estimated at as much as 2 billion dollars, while from Germany and Austria arrived 15 combat planes, 60 tanks, etc., to Croatia.

Some large shipments were intercepted: German customs authorities seized 63 Leopard tanks bound for Croatia, while the Italian authorities stopped a ship from Karachi and Istanbul laden with weapons, etc.

The document also offers in chronological order the facts concerning arrivals of foreign mercenaries to the Croatian and Moslem armed forces from summer '92 to the beginning of '93.

In July 1992, the document says, 50 Palestinians arrived from Saarbrücken (Germany), via Zagreb (Croatia) to Bosnia-Herzegovina. In the same month, as many as 7,000 Moslems and Croats from Zagreb were sent to the front at Gradacac in northern Bosnia. A month later, a

group of Moslem "volunteers" arrived from Czechoslovakia, via Karlovac to the Cazin region, a Moslem enclave in northwestern Bosnia-Herzegovina.

In September 1992, some 1,500 ethnic Albanians from Macedonia underwent training in Zagreb, and about 300 of them infiltrated into the east Bosnia region around Zvornik some time later. In the same month, Kurdish mujahedin and those from Afghanistan and Iran underwent training at a camp near Munich, Germany. Subsequently, 1,000 of them joined, via Zagreb, the Moslem forces in Bosnia-Herzegovina. Another 200 mujahedin, also via Zagreb, came to the Cazin region in September 1992.

A month later, French Nazi Michel Fassi, whose photo in Nazi SS-uniform with a Croatian decoration on his chest was published in the French press, formed a training camp for extreme rightists willing to fight in Bosnia. In October 1992, a group of 30 foreign mercenaries arrived in Doboj, northern Bosnia, from Zagreb. In the same month, Croatian police forcibly mobilized 800 Moslems in Rijeka and sent them to the front. Also, another 800 mujahedin arrived during this month from Zagreb to Zenica, central Bosnia.

Zagreb was also the place from where the first of 320 troops and officers of hizbollah were sent to Bosnia on November 19, 1992, and another 3,500 mujahedin followed later to Bugojno, central Bosnia.

An Iranian military delegation, which paid a visit to Bosnian Moslem leader Alija Izetbegovic in late November 1992, used the opportunity to review Iranian mercenaries on Mt Igman, in Pazaric and Hrasnica, near Sarajevo.

The document also records the sending of 50 mercenaries from Sudan in December 1992 as well as an entire "international brigade" made up of Poles, Spaniards, the French, Germans and mercenaries from different Islamic countries, to Livno and Duvno, western Bosnia.

The arrival of mercenaries continued also in 1993: Some 100 came to Travnik, central Bosnia, in January. While 285 mujahedin sent to Bosnia via Zagreb came from Berlin in the same month.

The battle for territories among the Moslem-Croat allies, as set out in the document, in February resulted in public accusations by the Croatian authorities that fighting was started by the 13,000 mercenaries that were sent to Zenica, via Zagreb.

In the latter half of February, another 20 British mercenaries arrived via Zagreb.

The document makes special note of the atrocities committed by a group of Moslem fanatics, headed by Abu Isa El Meki [name as received], which arrived to Bosnia from Mecca, again via Zagreb.

Trade Ministry Raises Price of Bread, Flour

AU2602212693 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 25 Feb 93

[Excerpt] The price of bread will be 85 to 115 percent higher as of 26 February. According to the decision by the Trade Ministry, a kilogram of half-white bread will cost 2,000 dinars, white bread will cost 2,460 dinars, and the so-called Sava bread will cost 3,200 dinars. The price of flour has also increased. The wholesale price of the 850 type of flour will cost 914 dinars, while the 500 type will cost 1,311 dinars. [passage omitted]

Sanctions Impact on Highway Transportation

93BA0581A Split EKONOMSKA POLITIKA in Serbo-Croatian 25 Jan 93 p 17

[Article by A. S.: "Highway Transportation: Fewer and Fewer Vehicles"]

[Text] In Montenegro's highway transportation—which encompasses 15 social enterprises, one holding company (JAS [Public Bus Transport]), and naturally, a large number of private carriers and enterprises—the situation is deteriorating day by day, so to speak. The average age of the vehicles in passenger transportation is eight years, and in freight transportation, nine years (the legal limit is five to six years), and many vehicles are even 15 years old or more, as a result of which the safety of transportation is also seriously threatened. Because of the vehicles' age and technical poor state of repair, the inability to renew the vehicle fleet, and the increased difficulty of obtaining supplies of equipment and spare parts, the number of vehicles in use is constantly declining; this very fact says enough by itself about the quality of the services (although people are thinking about it less and less). All of these problems are also accompanied by the workers' low personal incomes (below those guaranteed in the republic) and excessive deductions from income and personal incomes, which is putting this branch of the economy in an extremely unfavorable position. When one also adds to this the fact that most of the enterprises, after the collapse of the SFRY and the imposition of UN sanctions, have lost a considerable part of the earnings that they obtained from maintaining interrepublic bus lines (cancelled since last year), and also because of the unemployed capacity in the international transportation market in freight transportation, then the picture of the situation in highway transportation becomes much clearer and much more complete. That is best illustrated by these facts. During the period before the collapse of the SFRY, between 65 and 79 percent of the capacity in this industry was used in freight transportation, and 75-90 percent in passenger transportation. After the collapse of the SFRY, the use of the vehicle fleet was more than cut in half. It has been reduced to about 30 percent in freight transportation, and between 40 and 80 percent in passenger transportation.

Currently, the enterprises in the most difficult position are those which conducted most of their transportation in the interrepublic or international markets. Thus, for example, the Tara ATUP [expansion unknown] in Cetinje, by losing the eight interrepublic lines, lost more than a third of its income, and it also suffered a considerable loss because of the cancellation of some international bus lines that it had maintained until then. Pljevlje's Prevoz, Berane's Jugoprevoz, Kotor's Autoboka, and many others are also having similar difficulties as a result of the loss of markets (the interrepublic bus lines).

The insufficient use of the capacity has also been influenced by numerous other factors, primarily disorganization, an underdeveloped marketing service, frequently unfair competition, and in certain cases also the loss of a large number of users of their services because of liquidation. Because of all this, most of JAS's enterprises are now operating at a loss, and sending workers on forced furloughs (Bojana, Autoprevozno, Prevoz, Jugoprevoz, Transservic, etc.).

Realizing the seriousness of the situation they are facing in the new business conditions, some of the enterprises (Rumijatrans, Prevoz, Bojana, Autoprevozno) are resorting to organizational and ownership transformation, although it is taking place quite slowly and with difficulty, since it is also encountering resistance from individuals and a lack of understanding of the current economic situation in the republic and the country.

Serbia

Clinton Letter Warns Milosevic Over Kosovo

LD2802233593 Belgrade TANJUG Domestic Service in Serbo-Croatian 2204 GMT 28 Feb 93

[Text] Belgrade, 28 Feb (TANJUG)—Tomorrow's edition of BORBA publishes a letter which, it says, U.S. President Bill Clinton sent recently to Serbia's President Slobodan Milosevic through diplomatic channels.

"U.S. policy toward Kosovo has not changed. In case of a conflict in Kosovo, which would be caused by an action of the Serbian side, the United States is ready to send military force against the Serbs in Kosovo and further afield in Serbia," Clinton says in his message.

Regarding the conflict in Bosnia-Herzegovina, the letter states: "All parties must be aware that the place for resolving the conflict is at the negotiating table. While the talks continue, the UN resolutions, including the one regarding the sanctions, will be rigorously implemented. Moreover, I will press for a higher economic and political price to be paid for aggression," the letter stresses according to BORBA.

According to the Belgrade paper, Clinton also warned that "if the UN Security Council adopts a resolution reinforcing the previous one banning flights in the no-fly zones, the United States is ready to use military force to support such a resolution."

Convoy Commander Refuses Cargo Check; Returns to Base

LD2602223993 Belgrade TANJUG in English 2134 GMT 26 Feb 93

[Text] Belgrade, February 26 (TANJUG)—After three days of delay at the border with Bosnia-Herzegovina near the Serbian town of Mali Zvornik, 25 lorries of a UNPROFOR [UN Protection Force] convoy on Friday [26 February] turned back for its base in Pancevo near Belgrade. The convoy commander refused to allow Bosnian Serbs to check the cargo for Sarajevo.

The remaining 35 lorries from this convoy are still waiting in Mali Zvornik, TANJUG learned from the Belgrade UNPROFOR office on Friday.

Bosnian Serbs stopped the UNPROFOR convoy at the Bosnian border on Tuesday, insisting that they check all the vehicles, which is the usual procedure, but the convoy commander refused to allow this. The Belgrade UNPROFOR office said that the convoy contained food and equipment which were part of the regular supply for UNPROFOR troops in Sarajevo. The UNPROFOR said that lorries which were carrying perishable goods turned back from Mali Zvornik. The cargo will be taken from Pancevo to Zagreb and then flown to Sarajevo, they said.

The authorities of the Bosnian Serb Republic regularly check the cargo of all convoys in order to prevent possible attempts to smuggle weaponry to any of the enemy sides—Moslems or Croats, and after the check, convoys pass into Bosnia without any problems.

Bosnian Serbs discovered unregistered military equipment in a convoy of humanitarian aid from France, including eight radios and a radio station at a control checkpoint in Sarajevo on Wednesday.

Kozyrev Assesses Russian Attitude Toward Crisis

AU0103110393 Belgrade BORBA in Serbo-Croatian 24 Feb 93 p 2

[Interview with the Russian Foreign Minister Andrey Kozyrev given to BORBA by the Russian press agency NOVOSTI; place and date not given: "Leaning Toward Serbia Is Unfavorable for Both Serbs and Russia"]

[Text] "If Russia's foreign policy strikes a nonbalanced attitude regarding the Yugoslav crisis, which is to say leaning toward Serbia, or even if it only appeared to do so, the international community could draw an extremely biased conclusion. First and foremost, that Russia supports only the Orthodox part of the Yugoslav population, because all other protagonists of the Yugoslav conflict are also Slavs, but of other religions—Catholics and Muslims. It is exactly this approach that would be most harmful for Serbs, in the first place, and that would push all Balkan peoples into the deepest abyss of fratricidal war."

This is the assessment given by the Russian Foreign Minister Andrey Kozyrev in the exclusive interview to BORBA that was made possible through the Russian press agency NOVOSTI.

[BORBA] How do you assess the decision of the Supreme Soviet of Russia to insist on implementing sanctions against Croatia or lifting the sanctions against the FRY?

[Kozyrev] The pressure of the national-patriotic forces is obvious. They are using the foreign state of affairs to accomplish their completely internal goals in the Supreme Soviet. The attitude of the Supreme Soviet is reminiscent of fake patriotism, designed to divert the non-Slav and non-Orthodox citizens from Russia, and also such republics existing within the Russian Federation, not to mention our non-Slav partners in the Community of Independent States that lean toward Islam. Such a policy might strike a heavy blow to Russia itself, strengthen separatist tendencies, and harm the foreign policy of our country.

[BORBA] What do you think is the essence of the dispute with the Supreme Soviet?

[Kozyrev] There is no question that Croatia conducted an adventurous and unprecedented raid against the Serbian Krajina, which is on Croatian territory. Therefore Russia officially put forward the proposal regarding the implementation of sanctions against Croatia, and the Security Council adopted the corresponding resolution on our initiative. There is no dispute between the Foreign Ministry and the Supreme Soviet regarding that issue. However, the logic that sees the sanctions against Belgrade, and the sanctions against Zagreb as identical is absolutely incomprehensible. I remind you that the sanctions against Serbia and Montenegro have been implemented because of their participation in the war in another sovereign republic—Bosnia-Herzegovina. Thus the action waged by the Croatian leadership cannot in any case justify the conduct of the Belgrade leadership. Suppressive force ought to be implemented in both cases.

[BORBA] Certain changes in Russian foreign policy regarding the events in the former Yugoslavia made some political scientists speak of the revival of Pan-Slavism.

[Kozyrev] I find the idea of Pan-Slavism quite positive, as any other similar idea, speaking in terms of culture. Really, why should not the Slavic peoples—Russians, Ukrainians, White Russians, Bulgarians, Yugoslavs, Czechs, and Slovaks—who are very similar in language, culture, ethnic and historical traditions, feel the inclination to get closer to one another? In the French-speaking countries there is the term "francophone," which refers to their linguistic familiarity. Similar terms exist also with the Turkish-speaking peoples, as well as with the peoples of the Finno-Ugric language family. Such a unity and cultural heritage have to be encouraged and improved. However, making a political issue out of

that—instigating Slavs against other peoples, and dividing them religiously—is quite a different thing. It is a catastrophe for the idea of Pan-Slavism, because it transforms Pan-Slavism into an aggressive political concept that leads the world toward the religious-ethnic antagonism characteristic of the Middle Ages. Such a political spirit of Pan-Slavism could easily lead us into a situation similar to those on the eve of World War I. Europe would be divided into Christians, who are against Muslims, and the Christians themselves into Catholics, who are against the Orthodox. I cannot believe that our theoreticians of national-socialism do not see that.

Kosovo

Demaci Answers Questions on Serbian Policy

AU2602123393 Tirana ATA in English 0920 GMT 26 Feb 93

[Text] Tirana, February 26 (ATA)—Some days ago, Adem Demaci was invited by the "Studio B" independent TV of Belgrade. He took part in the program "The Spectators' Interview," where he replied to many questions.

At the beginning, speaking of the mistakes of the Serbian policy towards the Albanians, Adem Demaci said that the greatest mistake is that the Serbian policy wanted to expand the freedoms of Serbian people to the detriment of the other people.

The first spectator noted that the Serbian people have perhaps different opinions regarding the war in Bosnia and Croatia, but if the conflict in Kosovo starts, we shall have a single opinion. A. Demaci said: "We know this. But we also know that the Serbs have lost a battle in Kosovo. It may happen that the Serbs may lose even their second battle in Kosovo. Therefore, I recommend this spectator not to peak as a great fighter. I am a man of peace, against war, but if the Serbians impose war on Albanians, they should know they will not have the same experience as in Bosnia or Croatia. It would be difficult both for you and for us, therefore I recommend nobody such a conflict in Kosovo." Most of the spectators considered these words of A. Demaci as a threat and reacted. Another spectator also noted "Mr. Demaci should not threaten the Serbian people." Adem Demaci said: "I am threatening nobody, but I only attract the attention and wish the Serbian people prevent the present Serbian policy. Serbia has occupied 70 per cent of the territory of Bosnia, 40 per cent of the territory of Croatia, Serbia is keeping Kosovo under occupation. But if a conflict occurs in Kosovo, nobody will allow the Serbians do what they have done in Bosnia. The Albanians are enduring, but they too as a nation, have the right of self defence, and I will not like this to happen."

Adem Demaci's reply to the remark of a reporter that "the Serbians are unanimous regarding Kosovo and they

are very sensitive towards Kosovo." Was that he understands the sentiments on the Serbs towards Kosovo. [as received] The Serbs have created the myth on Kosovo and I am not for the change of this myth. But I cannot understand why the Serbs cannot live without Kosovo. The arguments of the Serbs that Kosovo has been historically theirs are baseless. They have found Kosovo here. The facts also show that never in the latest history the Serbs have made up the majority of the population in Kosovo, but the Albanians have always been the majority, although efforts have been made to transfer them, especially in Turkey.

The Albanians are ready to find a 'modus vivendi' for coexistence in Kosovo, where the Albanians and the Serbs would be equal, A. Demaci continued. The Serbs should have it clear that they cannot remove the Albanians from their homes, and that the Albanian cannot accept to be someone's colony. This time is over now. But the Albanians too should have it clear that also the time for a possible rapid unification with Albania to create an ethnic Albania has also passed. Both parties should renounce their maximal demands.

Regarding the transfer of the Serbs from Kosovo, A. Demaci said that the Albanians have not been able to impose the Serbs an organized and violent transfer (as the present Serbian regime is acting with the Albanians), because they have never had their power in Kosovo. Every power in Kosovo has been under Serbia's and Yugoslavia's control. The main reasons of Serbs' transfer from Kosovo have been of an economic character. Another spectator asked: If the democratic power was established in Serbia, would you accept the rights that Serbia might have given: the cultural autonomy, education in Albanian up to the secondary school, the chair of Albanian language in the faculty of Pristina? It is a shame for you to limit us the level of our schooling, Demaci said. Only the colonialists of the old type may limit the education of a 2-3 million people.

Rugova Accuses UNHCR of Complicity in 'Ethnic Cleansing'

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[Text] Paris, Feb 26 (AFP)—Ibrahim Rugova, president of the self-proclaimed republic of Kosovo, Friday [26 February] implicitly accused a U.N. body of being

instrumental in what he called Belgrade's "silent ethnic cleansing" in the south Serbian province.

Rugova, here on a three-day visit at the invitation of a committee of French intellectuals, told a news conference that Belgrade, "with the help of the U.N. High Commissioner for Refugees," is installing large numbers of Serbian refugees from Croatia or Bosnia-Herzegovina in Kosovo.

At the same time, he said, members of Kosovo's 90 percent majority Albanian community are either being forced to emigrate by the Serbian authorities or are fleeing obligatory military service.

More than 300,000 Albanians have left Kosovo over the past three years, including 20,000 young men seeking to avoid the draft which would mean fighting with the Serbians against other ethnic groups of the former Yugoslavia, Rugova said.

Painting a bleak picture of the situation in his country, Rugova said more than 100,000 people had been forced out of jobs over the past three years, including 800 academics.

The Serbian "cleansing" covers education in particular, Rugova said, with schools and universities closed and campuses transformed into camps for relocated Serbian refugees.

Albanian-language radio and television have been off the air for the past three years and all books and publications in Albanian are banned, leading to a "parallel educational system" set up in private homes, he said.

Rugova, who also addressed the French National Assembly's Foreign Affairs Committee, repeated the 10-point peace plan he had proposed last week in Washington for the formerly autonomous province.

In the plan, he called for Kosovo to be placed under U.N. protectorate and for the immediate deployment of U.N. peacekeeping forces and "a large contingent of observers" from the Conference on Security and Cooperation in Europe (CSCE).

Rugova, in Paris at the invitation of a French "Kosovo Committee," also met Health and Humanitarian Action Minister Bernard Kouchner and will hold talks with Georges Kiejman, the junior minister for foreign affairs.